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Mubarak on Foreign Intervention in Horn

91AA0535E London AL-SHARQ AL-AWSAT in Arabic
17 Jul 91 p 2

[Article: "Egypt Opposes Internationalization of Conflicts Between Horn of Africa Countries"]

[Text] Informed sources in Cairo have stressed that Egypt has notified a number of African countries of its utter rejection of any endeavors to undermine the security of African countries or to alter the existing geographic borders which are acknowledged by the Organization of African Unity [OAU] charter because there is a complete link between Egyptian national security and security of the Horn of Africa.

Egypt had notified the leaders of these countries through messages conveyed by an Egyptian envoy from President Husni Mubarak to the Horn of African countries that it is prepared to undertake any efforts to settle conflicts developing between them peacefully, within the African regional framework, and under the OAU umbrella because of the danger of internationalizing these quarrels and conflicts.

The "sources" asserted that the Horn of Africa countries have received assurances from Egypt that it will exert efforts with the Arab and European countries to urge them to advance more economic aid to these African countries to help them confront their economic problems and will urge the Arab financing institutions to play a role in this area within the framework of Afro-Arab cooperation.

The "sources" have noted that President Husni Mubarak has consulted with a number of Arab leaders, especially with Libyan President Mu'ammar al-Qadhafi and Algerian President Chadli Bendjedid, on the conditions in the Horn of Africa and on the importance of coordinating positions of the African Arab countries to tackle the ongoing problems and conflicts between those countries.

Egypt has expressed its concern over the conditions in the Horn of Africa, stressing that it will not permit any intervention by a foreign party, whether Israel or others, in this area because it affects Egypt's security.

NPUG Warns of Giving in to US Hegemony

91AA0506A Cairo AL-AHRAM AL-DUWALI in Arabic
6 Jul 91 p 8

[Article by Muhammad Yussif Al-Masri]

[Text] Dr. Rif'at Al-Sa'id, Secretary of the Central Committee of the National Progressive Unionist Grouping [NPUG] Party, says that the National Democratic Party government policies do not bode well for a bright or even acceptable future.

Rif'at made the statement in an interview with AL-AHRAM AL-DUWALI, saying that current policies get

the country out of one crisis and get it into another crisis, and from one predicament to another.

He explained this by saying that American hegemony over the region was not content with mere influence and control over the Arabs' circumstances, capabilities and resources, but was imposing its control over the Arabs even in their attention to solving their economic and social problems. It has reached the point where the United States has jurisdiction over inter-Arab problems. "Thus," he said, "I don't think it unlikely that the Americans have something to do with widening the rift between Arab organizations, or deepening the economic and social crises in Egypt."

The secretary of the central committee of the only party which violated the boycott of the elections, and who has taken over the leadership of the parliamentary opposition, went on to say that American hegemony over the region was a major obstacle to the growth of Egypt's Arab role, with all the implications a halt to the growth would mean in terms of political, economic and social breakdowns.

"Egypt is still playing the leading role in the Arab world, a role which has won it political respect and economic and social opportunities.

"At times the role of working behind the scenes had been assigned to Egypt - now this role is repealed, as the Americans seek to impose direct control and management on all the region's crises, by themselves, without having appointing a successor on their behalf.

"This means impairing Arab organizations' sense of need for Egypt, and this will be reflected in the Egyptian economy.

"If this scenario continues, Cairo will remain captive to the wishes of the U.S. Congress as it decides the volume of debt, loans and economic aid year by year; and since the Zionist lobby plays a crucial role in Congress, Egyptian policies will be tied to the general trend, even should that be at the expense of some of the basic policies Egypt customarily adopts.

"As to the Egyptian dream of the possibility of there existing any divergence between U.S. and Israeli policies, it is - in our view - a deluded dream, whose realization can scarcely be imagined, not only because of U.S.-Israeli relations, but also because U.S. interests in the region require, and impose, the existence of a strong, decisive, commanding Israel in the region."

As to the effects of all this on domestic political directions, Dr. Rif'at al-Sa'id told AL-AHRAM AL-DUWALI that the domestic political directions of the NDP government were acting in compliance with the International Monetary Fund, leading to the need to raise prices and lower the standard of living, worsening the devastating crisis.

"What doubles the difficulty and danger of these conditions is the loss in opportunities and advantages of work

for Egyptians in fraternal Arab and neighboring countries. Whereas once Egyptians went to these countries and were treated with the greatest respect, this is no longer the case even in countries which should feel gratitude towards Egypt, conditions which inarguably reflect, necessarily, the domestic situation.

"There is a problem in the near future. The government calls for privatization and rebuilding society on a capitalist basis. The real problem is that what they want of this process is to accomplish the direct interests of capitalists and parasites without completing the capitalist direction.

"The capitalist direction which calls for the private ownership of means of production knows that by this private ownership, capitalists are given broad authority, and so in return workers are given rights such as the right to strike, the right to organize independent trade unions, and the right to direct negotiations over wages and working conditions.

"What is strange is that the Egyptian direction wants to give capitalists all their rights, and to continue to deprive workers of any rights that balance the capitalists' rights, which is illogical and impossible. Continuing on this path will lead to dangerous explosions, and in any case the picture of the future, in light of present policies, compels me to say that this policy is unreasonable and unjust, and unless it is radically reformed, it may lead to explosions.

"The dangerous thing about these explosions is that they will not change the basic nature of the system. They will lead to a larger role for the extremist religious groups, or the military establishment as an instrument of last resort when the situation explodes and control cannot be asserted otherwise.

"Either way is unacceptable from the point of view of the NPUG, because this party wants to continue the liberal climate, and spread, not limit, democracy - in spite of the influence of extremist religious groups, or of the military establishment."

Writer Criticizes Weak Arab Lobby in U.S.

91AA0486A Cairo AL-AHRAM AL-IQTISADI in Arabic
10 Jun 91 p 60

[Article by Ahmad al-Razzaz: "Feeble Arab Lobby"]

[Text] Ever since the creation of Israel, the Zionist lobby has been the greatest common denominator in support of the Jewish state in the Middle East. Without this lobby, Israel would not have found a place on the Middle East map. Israel is the Zionist lobby's country, and this explains the power and clout this lobby has on decision-makers in the United States and Europe and the influence it has gained within the Soviet Union. The Zionist lobby represents the clout Jewish manpower has acquired outside Israel. This manpower is distributed over many countries, led by the United States. The

Jewish manpower, which constitutes the Zionist lobby, is no more than 13 million people spread over 35 countries.

Most amazing is the fact that the Arab manpower, which is spread out in the same countries where the Zionist lobby can be found, is often greater than the Jewish one. Indeed, the Arab manpower that is scattered throughout America, Europe, Australia, and the two Americas—outside the United States, namely Canada and Central and South America—is marked by its wealth because it includes thousands of billionaires and a huge number of highly-placed officials. This is in addition to citizens of Arab background, like John Sununu, the White House Chief of Staff who is of Lebanese descent, and Carlos Menem, the president of Argentina who is of Syrian descent. This expatriate Arab manpower, metaphorically known as the Arab lobby, has very little clout. It includes people associated with scandals and the arms and drug trade, such as the Syrian-born billionaire 'Adnan Khashuqi. So, what is the truth about this Arab force living outside the Arab countries that remembers its origin only under one circumstance: when there is a dazzling Arab action like the October 1973 victory. As for the 1967 setback, everyone wants to run away from it and hide behind the screens that conceal their Arab origin.

The Arab lobby is a reality, but a sad reality, as evidenced by the fact that it has not offered anything to the causes of its Arab nation to which it is affiliated by blood. No Arab billionaire or millionaire has offered anything worthwhile to the Palestinian cause that is of great concern to the Zionist lobby because it is the focus of its attention in view of its link to its country in the Middle East, Israel. There is a vast difference between what the Zionist lobby offers its cause and the feeble Arab lobby's passivity toward the same cause, Palestine.

There is one example that typifies the tragedy of the Arab presence in the United States, namely the Arab-American Friendship Society. Its American president is appalled by the disinterest of the rich Arab community in the United States. He relies on the irregular aid he receives from a small number of Arab countries on special occasions, such as a visit by a leader of an Arab country that gives aid to Washington. Aside from that, he gets nothing at all.

The Zionist lobby in the United States and Europe owns influential newspapers and radio and TV stations, not to mention the influence it has over newspapers and TV networks it does not own. The Zionist lobby moves like a beehive. It works and directs its action brilliantly for the sake of its country's cause in the Middle East. Through its action, it has considerable influence over public opinion in the countries in which it lives, such as the American, European, Australian, and Canadian communities. As for the Arab lobby, its relationship with the press, radio stations, and TV networks is to advertise and promote its goods, its personal interests in other words. Thus, the Zionist lobby reaps the benefits of the Arab community's passivity and wins every cause

because it acts openly in front of the Arabs who hear nothing and say nothing. In other words, they are a group totally detached from their origins, and the only link they have is memories and their grandparents' graves. Other than that, the only thing they talk about is bank accounts and how they grow. As for donations or aid, these two words are not found in the Arab lobby's dictionary.

During the Gulf crisis and the liberation of Kuwait, the Zionist lobby was highly active, artfully exploiting the situation in favor of Israel. For every Abu-al-Fawaris missile that brother Yasir 'Arafat likes to use in talking with Saddam Husayn, the Zionist lobby gets millions of dollars on top of high-efficiency defense systems delivered at once, like the Patriot and other systems. The Abu-al-Fawaris missiles that he launched against Israel were a great gift to Israel that exceeded its wildest dreams. Hence, the Zionist lobby is living through a golden era as it did during the June 1967 war. It has succeeded in getting America and Europe to engrave gold medals with the picture of Moshe Dayan, the Jewish commander who conquered the Arabs. In those days, our Arab brothers were totally disavowing their Arabism because defeat is a disgrace that ought to be denied, while victory..., well, they are Arabs proud of Arab triumphs. During the liberation of Kuwait and the Gulf crisis, the United States and Europe witnessed theatrical shows staged by Arab stars, one group cheering Saddam Husayn and another denouncing him as an Arab traitor. Between cheers and denunciations, the Zionist lobby took advantage of Arab public ignominies in Europe and the United States. Even the owners of the cause, the Palestinian brothers, joined the comedy acts, one group cheering and another denouncing, while the Zionist lobby was recruiting new supporters for Israel and collecting from them billions of dollars and Patriot missile systems.

The Zionist lobby is capable of moving any rock in the world, and this, dear sirs, ought to be considered when dealing with the Middle East crisis and the American role.

- We must not forget that when the American president was getting ready to initiate military action against Saddam Husayn, he could not make the decision to go to war without congressional approval. The voting process in Congress was a world panorama we all witnessed. When Congress gave its approval, we became certain that war was going to break out, and it was truly a desert storm operation.
- The Zionist lobby, which is nestled in Congress, was behind the congressional vote that gave the American president the go-ahead to wage war. Without this vote, Bush could not or would not have dared to issue orders to his forces to start military operations.
- Congress wields much influence in the decision-making process. Whatever the situation might be, the president is not free to carry out anything he likes behind its back. If he did, he would be finished and relegated to memory and the ex-presidents' list. Being aware of the role Congress plays and the kind of

influence the Zionist lobby wields, we must make the right calculations and refrain from too much talk, guesswork, revilement, and criticism. We must stop heaping insults on a president who dishes it out in two measures, meeting out wrath against Saddam Husayn and much compassion for Israel. We must be fully aware of what President Bush means when he repeatedly states that he would not pressure anyone to reach a solution and would not force anyone to do so. The meaning is clear.

Thus, if we want to have power and influence, we must have united ranks and unity of purpose. Influence knows no exceptions. So, where is the Arab lobby's influence? The Arab lobby is weak, weak, weak. We must attend to it and push it forward, or else the stream of perils will carry us to a bottomless pit.

Ambassador to Moscow Discusses Peace Process
91AA0492A Cairo AKHIR SA'AH in Arabic 26 Jun 91
pp 10-11

[Interview with the Egyptian Ambassador to Moscow, Ahmad Mahir, by Hadiya al-Sharbini: "Soviet Union a Major Power, Now and in Future; Egyptian-Soviet Relations Expanding in All Fields;" place and date not given]

[Excerpts] [passage omitted] [Al-Sharbini] What about the dimensions of Egyptian-Soviet relations at the present time? Are they constantly expanding, especially since they have fluctuated in recent years. How do you describe these relations now?

[Mahir] [passage omitted] Egyptian-Soviet relations began to expand based on firm principles laid down by President Husni Mubarak. They are principles of relations based on mutual respect, complete equality, non-intervention in internal affairs, and Egypt's opening up to various countries of the world on the basis of national and regional interests, irrespective of ideology or systems of government. [passage omitted]

That is tied in with President Gorbachev's assumption of power in 1985. He brought with him new thinking, free of the restraints of ideology, and based on mutual interests and benefit. He also initiated a reform movement, as President Husni Mubarak did in Egypt with a comprehensive reform movement.

It was natural that the two leaders would find a vast area of mutual understanding, that diplomatic relations between the two nations would be strengthened, and that that would lead to increased economic and commercial cooperation. [passage omitted]

We can say, from the diplomatic aspect, that consultation is continuous between the two nations on the presidential level and on all ministerial and lesser levels, either by means of messages, telephone communications, visits by officials, or the exchange of delegations.

From the beginning, Egypt has emphasized that it sees the need for the Soviet Union's participation in all initiatives for peace in the Middle East region. Moreover, the Soviet Union is anxious to assume this role.

In terms of trade, the exchange flows uninterruptedly between the two countries, even though the transitional circumstances through which the Soviet economy is passing, and the abandonment of a specific system of economic relations, without having a clearly defined alternative, have raised certain problems at times, which the two nations are working to settle, starting from a diplomatic desire and mutual interests.

There are the usual problems stemming from certain bureaucratic complexities and from a shortfall of certain materials in the Soviet Union as a result of economic disruptions. However, the important thing here is that we are talking, discussing, and working to overcome the difficulties.

On the cultural side, there are difficulties with regard to the Soviet Union's desire to obtain larger amounts of hard currencies and, consequently, there are moves to impose relatively higher fees on individuals on educational missions and on grants. This situation is also the subject of current negotiations, in order to put it under the new cultural cooperation protocol so that a balance can be achieved between disparate interests.

End to Standing Alone

[Al-Sharbini] Political observers and intellectuals are now talking about the dimensions of the new world order that have begun to take shape in the nineties. There are those who stress the Soviet Union's receding international stature following the collapse of the Eastern camp and the worsening crisis of the Soviet economy. It is emphasized that the United States is the only great power that now governs the destinies of the world's nations. What is your comment on those views, which prevail at the present time?

[Mahir] At the outset, these statements require some close examination. There is undoubtedly some truth to them, but the consequences deduced from them are inaccurate. It is definite—first of all—that the American role in the world is hugely important and, secondly, that the Soviet Union suffers from vast political problems which, at times, hinder its progress in the foreign sphere. These are established facts.

However, there are other firm facts. The United States, in all its initiatives, whether in the Gulf crisis or other regional crises, or in its efforts to begin the peace process and just and comprehensive negotiations in the Middle East, does not find it possible to do without the Soviet Union's cooperation. This was acknowledged by the United States itself, that the theories that say we are living in an age of absolute American hegemony are claims that do not coincide with reality.

We are living in an era of peak American power, but it is not sufficient to deal with world affairs alone. These are complex and difficult matters. Moreover, the age of one or two great powers singlehandedly dealing with world problems has passed. Other small and medium-size nations have assumed an important role.

There is no better evidence of this than the fact that the United States could only find it possible to counter Iraqi aggression against Kuwait within a framework of integrated international effort. This was what made it possible to ignore the negative role for each side in defeating Iraqi aggression. [passage omitted]

It also remains to be said that the Soviet Union is still a great power, an ailing great power, but its sickness is influenza, not a fatal disease. It is curing itself. This ailment does not infringe upon the substance of its vast resources. It is a great military power that still has a huge capability for destruction and deterrence. It possesses vast territory, encompassing enormous wealth, if only there were better exploitation and management. It is a vast human depot, populated with a diversity of humanity responsive to culture and sciences. All its efforts have been greatly wasted in past periods. Consequently, the problem is a question of improving management of resources. This is the essence of the rebuilding policy. [passage omitted]

History does not stop; history has not ended, as some claim. On the contrary, there is constant development. The world goes forward on multiple axes. The Soviet Union is one of those axes. But, the important thing here, for all of us, is that we not be content merely to watch these axes. They are meeting, and agreeing or disagreeing. However, the middle-size and small nations, with Egypt at their head, must be active in order to effectively participate in forming the so-called new world order and what might be called new balances in the world, in terms of various nations, interests, and principles of rights and obligations, so that a just peace will prevail.

Evaluating the Soviet Position

[Al-Sharbini] The Soviet position vis-a-vis the Gulf, which developed out of the Iraqi attack against Kuwait, was a positive position, despite the fact that Iraq had strong relations with the government in Moscow. Does that have any impact on the future of Arab-Soviet relations, particularly with the Gulf states?

[Mahir] The Soviet Union's clear position in condemning Iraq's attack on Kuwait confirmed that the Soviet Union can take a stand on principles, regardless of who violates them, friend or ally. As a result of that, we saw the resumption of relations between the Soviet Union and Saudi Arabia. The influence of that was also clear in the Gulf states' agreement to stimulate economic cooperation with the Soviet Union.

There is no doubt that Arab-Soviet relations will benefit from the Soviet position in the Gulf crisis. [passage omitted]

[Al-Sharbini] Can the Soviet Union persuade Israel to stop these rejectionist policies vis-a-vis the peace process, through hints of stopping the Soviet emigration to Israel and putting off the restoration of full diplomatic relations, or are there difficulties preventing that?

[Mahir] First, as regards current Soviet contacts with Israel, the Soviet Union has found that it is preferable to have contact with all parties to the Middle East problem so that it can contribute to the efforts being made to settle the problem peacefully, and so that it will not be in a weaker position than the United States, which talks to all sides. In these contacts, the Soviet Union is taking a clear stand with regard to the bases of the settlement—bases that will satisfy the international community, and that the Arab side will support. When it talks to Israel, the Soviet Union only talks from a position of defending the joint Arab positions, with complete rejection of the methods of expansion, land annexation, and violation of the rights of the Palestinian people.

International Effort Required [passage omitted]

With regard to the subject of the emigration, first, there is no doubt that the foreign settlement in occupied Arab territory after 1967 is a serious matter, rejected by us and by the international community, including the Soviet Union, and is tantamount to planting a land-mine against international peace efforts in the Middle East.

We have thought, "How is it that whenever an American visitor goes to Israel, a settlement or colony is established prior to his arrival?" This is Israeli provocation to the world. I cannot imagine that the world can endure that for long. This is a matter that the Soviet Union understands, and it shares our views.

On the other hand, the subject of emigration from the Soviet Union is tied to the fact that, in the age of perestroika, the Soviet Union is trying to be a part of the so-called civilized community that respects human rights, so long as they do not include a right that it does not respect. The Soviet Union's public claim was that it guaranteed and complied with these rights.

We have seen the Soviet Union allowing freedom of opinion and expression in an unprecedented way. We have seen it permitting freedom of religious beliefs, reopening churches and mosques, and allowing religious ceremonies. We have also seen it allowing freedom of travel abroad, either for short trips or to emigrate. We have seen it open large areas that were prohibited for foreigners to visit. These are public Soviet initiatives for the purpose of gradually entering the group of nations that respect human rights.

This is natural, because the Soviet Union needs the world to cooperate with it in its reform attempts, as well

as to persuade the world that it no longer uses methods of subjugation and repression, which only resulted in increased deterioration.

Consequently, emigration from the Soviet Union includes various groups, such as Germans, Armenians, Greeks, and Jews. What happened was that Jews were emigrating from the Soviet Union to Western Europe and the United States. Then, for reasons I do not wish to discuss, doors were closed against them, so that the only place left for them to go was Israel.

Accordingly, because the Soviet Union understood the seriousness of this matter and the danger of their possibly being settled in occupied territory, it began to try, as the United States is trying, to prevent these people from being settled in occupied territory.

At this point, we must recognize that means of Soviet pressure are few in this regard. The matter requires international effort, in which all those concerned for the future and the opportunity for peace in the region must participate. They must take part with positions and active efforts. I can say that Egypt is working in this regard and does not hesitate to stress its position, which can be summarized by saying that the right of emigration for all individuals must be guaranteed, but it must be done in circumstances that ensure that no harm is done to the rights of other people.

Support for Peace Conference

[Al-Sharbini] However, what about the Soviet role in its contacts with the Palestinian side, particularly since Moscow has excellent relations with the PLO? What about the Soviet position on the proposal to hold a regional peace conference in the Middle East?

[Mahir] The Soviet Union is in complete agreement with the Arab position that the Palestinian people must be able to exercise their right to self-determination, including the establishment of their state on their territory. It is in constant contact with the PLO and contributed to the development of certain of its positions. In its discussions with various parties concerning peace efforts, it defends these positions and calls for the necessity of PLO participation, in one form or another, in those efforts.

The constant dialogue conducted by the Soviet Union with various parties is a laudable effort on behalf of translating the Arab positions into reality on earth and putting an end to stagnant and intransigent positions that block the road to peace.

On the subject of the peace conference, we must not be distracted by expressions or the verbal games currently being discussed. It is a conference in which the concerned parties will participate with an international element represented by the United States, the Soviet Union, Europe, and the UN, and based on implementation of Security Council resolutions.

Consequently, the title is unimportant. If Israel tries to play word games, either to cover the retreat from its rejectionist stands against any kind of conference, or to attempt to cause difficulties, we will not be carried away, and the Soviet Union will not be diverted by this game. On the contrary, we will, in essence, adhere to the endeavor not to accept any form that might effect this essential matter.

The peace conference is not an alternative to negotiations between the parties, but rather, it is a suitable environment to conduct those negotiations in the best way possible. Therefore, we will continue to cooperate with the United States, with the Soviet Union, and with the world as a whole, which agrees with the position that Israel must truly bear the responsibility on the road to peace. [passage omitted]

Israeli Paper Interviews Musa on Peace Process

TA1406083491 Tel Aviv YEDI'OT AHARONOT
in Hebrew 14 Jun 91 pp 1, 10

[Interview with Egyptian Foreign Minister 'Amr Muhammad Musa by Smadar Peri in Cairo on 13 Jun]

[Text]

[Peri] Mr. Foreign Minister, you have just returned from a round of talks in Damascus. What exactly does President al-Asad want from Prime Minister Shamir?

[Musa] The way I understand it, the Syrians are very interested in peace negotiations, but they, just like us, are bothered by the fact that settlements are being set up and expanded and that new Israeli citizens are being brought to them.

[Peri] The Sinai experience, however, shows that when a withdrawal is decided on, Israeli settlements are abandoned.

[Musa] It is true that in the case of the Sinai we had a positive experience, but we have already heard Israeli remarks such as "Yamit is not Judaea and Samaria." We are also concerned by the provocative tone of Minister Ari'el Sharon when he speaks about the settlements. After all, it is clear that when settlements are expanded, a certain feeling is created which will make it difficult for people to leave them. In our view, the settlements are not only illegal, but are a negative phenomenon which is poisoning the atmosphere.

[Peri] Last week, Egypt indeed focused on sharp criticism of the settlements. Why do you not accept Prime Minister Shamir's declaration that everything is open for negotiations?

[Musa] This is a positive declaration, but certain people—in Israel, as well—smile when they hear Shamir declaring that "everything is open," suspecting that Shamir does not really want "everything" placed on the negotiating table. Jerusalem is an example. Has Mr.

Shamir mentioned East Jerusalem? For us, East Jerusalem is occupied territory, and the time will come when we will have to deal with this problem. It will not be the first issue, but there is no doubt that it will have to be dealt with. If Mr. Shamir really means that "everything is open," there will be no exceptions.

[Peri] Is President al-Asad really interested in coming to negotiations which would end in a peace agreement with Israel?

[Musa] President al-Asad represents Syria, the rightful proprietor of the occupied Golan Heights. Therefore, Syria's supreme goal is to bring the Golan Heights back under Syrian sovereignty.

[Peri] What about a peace agreement?

[Musa] We believe that Syria will come to negotiations with Israel on the basis of territories for peace, with all that this means.

[Peri] Egypt has strong ties with Syria and an "open door" in Jerusalem. Why should you not try "electric shock treatment" and summon Foreign Minister David Levi to a meeting with his Syrian counterpart in Cairo?

[Musa] First things first. We are involved in a process which will lead to a direct dialogue between Syria and Israel.

[Peri] There is talk in Israel about an invitation to Foreign Minister Levi for a first official visit in Egypt. Has a date been set yet?

[Musa] I cannot name a date for the visit today.

[Peri] Prime Minister Shamir and President Mubarak exchanged serious accusations last week.

[Musa] Prime Minister Shamir is complaining about certain articles published in the Egyptian media. We have already dealt with this issue and with the absence of Egyptian tourism to Israel. These issues are representative of a normal relationship which has its ups and downs.

President Mubarak's criticism of Prime Minister Shamir, on the other hand, is matter-of-fact. Mubarak is attacking Israel's acts of placing obstacles and its irresponsiveness and unwillingness to cooperate with the peace process.

In general, Shamir has no reason to complain about Israeli-Egyptian relations.

[Peri] Some are currently saying that the intifadah in the territories is dying.

[Musa] It is possible that the decline of the intifadah is linked with the Palestinian hope that the peace process is drawing near. Should the process stop, however, we will witness a second intifadah.

Editorial Links Peace to Arab Military Strength

91AA0484D Cairo AL-AHRAR in Arabic 10 Jun 91 p 6

[Article by al-Hamzah Da'bas: "Restrictions and Limitations. Greater Syria...and Land and Peace"]

[Text] In the wake of the late president Anwar al-Sadat's triumph in the glorious October War, causing Israel's heart to sink when it realized that Egypt held the key to war as well as peace, al-Sadat raised the slogan "land for peace." Israel accepted the principle and gave him back the land, the entire Sinai territory, the only part of Egyptian land it had captured, in exchange for a treaty.

At that time, Israel was ready to enforce the same principle with the Palestinians by turning over to them the West bank, and with Syria, by returning the Golan Heights. Israel was in a state of panic after al-Sadat, God rest his soul, decided to go to war and his troops crossed the greatest water barrier and destroyed the Bar Lev Line, laying to rest the invincible Israeli army myth. But the intrepid leaders of Greater Syria—Syria, Lebanon, Jordan and Palestine—insisted on raising another slogan known as "steadfastness and confrontation." Years passed, from 1967 until now, or close to a quarter of a century later, and the three centuries of Greater Syria have not budged and have not thrown a single rock, not to say a single shell, at Israel.

During this period, however, Israel captured in the early eighties another part of Greater Syria's territory in southern Lebanon, seeking as late as the end of last week to consolidate its presence there and waging massive raids against it without facing any steadfastness, let alone confrontation. We may all recall the empty seat around the negotiating table at the Mena House Hotel which, as Anwar al-Sadat, God rest his soul, told the Palestinians while standing next to the Palestinian flag, dealt a heavy blow to Begin who was negotiating with him. But the audacious and intrepid Yasir 'Arafat refused to attend and sit in the empty seat, filling the world with shouts and screams and accusing Anwar al-Sadat of treason, aided in this by other people.

Today, after 17 years of wasted opportunities, Yasir 'Arafat and the rulers of Greater Syria are panting and wasting their breath, but to no avail, and the intrepid leaders of Greater Syria are now raising the slogan "land for peace," but the only thing they get is ridicule in Israel and the whole world because they have all forgotten, or have chosen to forget, that al-Sadat raised this slogan and regained his land only after proving his actual and military ability to strike Israel. They have forgotten, or have chosen to forget, that he who does not hold the key to war does not hold the key to peace, and this is what drives Shamir to turn up his nose while rejecting every Bush initiative, those initiatives he is putting forth only to make the intrepid leaders happy.

Trade With African Neighbors Emphasized

91P40386B London AL-SHARQ AL-AWSAT in Arabic 29 Jul 91 p 10

[Text] Cairo, AL-SHARQ AL-AWSAT bureau—The Egyptian Government has decided to put in place an urgent plan to stimulate Egyptian exports to Africa. The plan centers on opening up new areas of trade with the nations on the continent, especially those related to non-traditional exports that have been successful compared with similar competing goods of other countries.

The value of Egyptian exports to African Francophone countries in the first quarter of this year was \$6.3 million, compared with \$4 million in Egyptian imports from these countries. The export plan includes 60,000 tons of salt to the Ivory Coast and another 5,000 tons to Benin.

'National Nasirist Party' Submits Application

91P40371B Cairo AL-AHRAR in Arabic 8 Jul 91 p 1

[Text] A citizen from al-Jizah Governorate named Usamah Muhammad Tal'at Abd-al-Majid has announced the formation of a new Nasirist party called the "National Nasirist Party."

In his capacity as a representative of the founders, the Nasirist citizen sent notice of the party's formation to the interior minister last Tuesday [2 July].

Wafd Leader Discusses Relations With Other Parties

91AA0460A London AL-SHARQ AL-AWSAT in Arabic 18 Jun 91 p 5

[Text] Cairo—The relationship between the Egyptian, opposition Wafd Party and other opposition groups continues to pose questions to observers of party activity in the Egyptian capital.

The relationship between the Wafd and the opposition fluctuates between tension and attraction, without any clear reason.

Less than a year ago, the Wafd announced its break with the other opposition groups. At that time, Fu'ad Siraj-al-Din, the chairman of the Wafd Party, stated: Our position on the Gulf crisis is absolutely clear. We oppose the Iraqi invasion. However, some other opposition groups have chosen another position which does not enjoy popular support.

Less than a month ago, a Wafd Party representative reappeared in opposition gatherings, and Siraj-al-Din said: Other national issues require us to attend meetings with the opposition groups, without dealing in these meetings with other problems that might unleash disagreements between our parties.

Siraj-al-Din defines the issues on which his party agrees with opposition groups as democracy and freedoms in

Egypt. He denied that the goal of the Wafd's return to opposition gatherings is to assume the leadership of these parties again or to emerge on the surface of political life as the leader of the opposition in an attempt to compensate for its absence from the People's Assembly.

Siraj-al-Din believes that his party enjoys exemplary democracy, which no other Egyptian party enjoys.

"The Kingdom of Saudi Arabia was not expected to stand by quietly waiting for Saddam Husayn to invade it as he had done to Kuwait previously. It was entitled to seek the assistance of friends. Indeed, it requested the help of fraternal Arab countries, then that of its friends among the different countries of the world."

With this statement, Siraj-al-Din responds to AL-SHARQ AL-AWSAT's question as to why his party boycotted meetings of the Egyptian opposition parties held during the Gulf crisis and the war to liberate Kuwait. He states that it did so because of the contradictory positions of these parties on the Gulf crisis.

Siraj-al-Din states that the meetings held by the opposition groups at that time aimed to declare these parties' support for "Saddam's invasion." Therefore, he continues, we boycotted meetings of the opposition because we did not agree on the principle for the sake of which these meetings were being held. Siraj-al-Din rejects the statement that the Gulf crisis placed his party in the same trench with the ruling National Democratic Party [NDP] in opposition to the other opposition groups. "I want to correct something. The Wafd Party expressed its disapproval of the treacherous Iraqi invasion, and it defined its position on it before the NDP expressed its opinion and moreover even before Egypt declared its official position on the crisis."

With this logic, Siraj-al-Din denies any contradiction in the Wafd's positions on the crisis. "On 3 August 1990, the Wafd declared clearly, in a communique issued by its supreme organization, its aversion to the Iraqi invasion, its distress over the aggression, and its demand for the evacuation of Iraqi forces and the return of legality. These principles, in our opinion, represented the best solution to the Gulf crisis."

Siraj-al-Din criticizes the other opposition parties: "The opinion of some of these parties differed with that of the Wafd Party, and I do not know why?! Nor do I know whether these parties have come to their senses again."

Here, Siraj-al-Din begins to censure the position of the Egyptian, opposition Labor Party, whose weekly newspaper, AL-SHA'B, still carries headlines that reveal the party's alignment with the Iraqi regime and its disapproval of world public opinion, which supported the truth in confronting the occupation of Kuwait.

The Opposition's Failure

Because any attempts by the leaders of Egypt's opposition parties to rally around any program to bring them together have failed repeatedly due to these contradictory positions and fundamental, methodological disagreements between their parties, the reasons for the opposition leaders' failure to reconvene the 'Abidin Unified Opposition Convention—which was held in February 1987, and in which the opposition groups declared their resolve to hold the conference each year—were the pivot of the next question posed to Siraj-al-Din, who strongly denies the presence of any disagreements among the opposition groups: "There are no disagreements whatsoever. We resorted to holding scaled-down meetings in different cities instead of holding a mass, unified convention for leaders of the opposition parties on the model of the 'Abidin Convention."

Siraj-al-Din explains why the opposition parties were pushed toward this operating mode: "Unfortunately, the opposition parties find it extremely difficult to hold such conventions, because the Interior Ministry requires any political meeting to be held in an enclosed location, which is difficult and moreover impossible to carry out. How can we find an enclosed site large enough for thousands of citizens?"

Because unification will continue to be a mere hope that entices the opposition parties and their leaders, the party leaders are attempting to seek a "peg" on which to hang this hope, and one such peg is the "emergencies peg [i.e., the imposition of emergency laws]."

In responding to AL SHARQ AL-AWSAT's question about whether the opposition parties will succeed this time in eliminating their fundamental conflicts by using the "emergencies peg," Siraj-al-Din states that if the emergencies are actually a peg for the opposition parties, as the ruling NDP maintains, let them [the NDP] destroy this peg and relax, because the opposition parties would then have nothing around which to coalesce, as the NDP states.

Here, Siraj-al-Din declares that there are numerous issues around which opposition leaders should rally, and which their parties should unite to confront. In the forefront of these issues is the achievement of political reform and true democracy through the fundamental step of amending the current constitution or even drafting a new constitution.

At the Peak

Responding to the claim that the Wafd Party is attempting to propose a new constitution in a bid to regain the leadership of the opposition parties, after having been absent from it for many months due to the Gulf crisis, and to compensate somewhat for its absence from the Egyptian People's Assembly, Siraj-al-Din states that his party is at the peak of political life. Therefore, "we do not need a plan to return, because we are actually present. Nor are we aiming for the leadership of the

opposition parties. These parties are independent and have their own existence. We proposed a new draft constitution in the framework of our demand, which we have repeated since 1987, to amend the current constitution, not in the framework of political exploitation."

Regarding the provisions of the new constitution and how they reflect the opposition's view, Siraj-al-Din states: The draft constitution regulates the method of electing the president and vice president of the republic from among more than one candidate, and the effectuation of the right of the People's Assembly to debate and amend the general state budget. It also includes regulations and provisions that guarantee the true exercise of democracy, including a provision for freedom to establish parties and publish newspapers.

In responding to the allegation that his party is attempting to eliminate the true practice of democracy within the party itself, while constantly calling for the expansion of democracy at the national, public level, Siraj-al-Din maintains that his party is the only party that is governed fully by democracy. [He states:] All of the Wafd's organizational structures operate on the democratic model. All of my party's organizations were elected, unlike all of the ruling NDP's organizations.

The Wafd Party chairman furnishes evidence of his party's democracy:

If there was a dictatorship in my management of the party's affairs, the decision to separate would be the least of the decisions that would face a number of the party's members who deviated from the party's consensus and undertook a legal action to contest the measures that accompanied the call by the Wafdist plenum to hold party elections about two years ago. With the same resolve in emphasizing that his party practices exemplary democracy, Siraj-al-Din denies that there are differences between the front led by his younger brother, Yasin Siraj-al-Din, the chairman of the Wafd committee in Cairo, and the deputy chairman of the party, Dr. Ni'man Jum'ah. "Any rumors of such a division are mere lies and fairy tales that have no place within the party."

Regarding the Wafd Party's future, which reveals the erosion of the party's popularity among the masses of citizens, Siraj-al-Din states that the Wafd Party has never been based on individuals, but on an ideology that is firmly fixed among the Egyptian people, as indicated by the party's survival hidden from the view of Egyptians for 30 years, and its forceful return to the surface of political life. Also, the Wafd is very rich in leaders, who represent the best backing for the current party chairman.

Issues on Which There is Agreement, and Other Issues

Regarding his party's future relationship with the other Egyptian opposition groups, Siraj-al-Din states that the Wafd Party and the opposition parties share common problems and issues, but that other issues and problems

are a source of discord. Our strategy, he states, is based on excluding the discordant issues. Thus, the issues on which we agree are the main basis for our meetings.

Siraj-al-Din explains this view: There is common ground on which we agree, such as issues concerning the defense of democracy and political and constitutional reform.

There are also issues over which we might differ, such as the Landlord-Tenant Relation Law and the allotment of 50 percent [of the seats] in various parliamentary councils to workers and farmers. However, in our joint meetings, we steer clear of problems that might become a focus of disagreements and conflicts.

Professor Discusses Issue of Repatriates From Gulf

91AA0487A London AL-HAWADITH in Arabic
21 Jun 91 p 36

[Interview with Dr. Hamdi 'Abd-al-'Azim, economic expert and economics teacher at al-Sadat Academy for Administrative Sciences, by Mahmud Salim in Cairo—date not given]

[Text] Since the outbreak of the Gulf crisis on 2 August last year and since the Gulf war ended at the end of February, the question of Egyptian workers in Kuwait and Iraq has been the subject of incessant debate among the Egyptian public.

What fate is awaiting these workers? What does the future hold for the tremendous number of Egyptians if they do not go back to their previous jobs?

The repatriation of the large number of Egyptians working in Kuwait and Iraq following the outbreak of the crisis has been one of the negative effects on the Egyptian economy, the main reason being the drop in the remittances in foreign currencies by these workers. Experts estimate the remittances at about \$2.7 billion in the 1990-91 fiscal year. This is in addition to savings and properties that the thousands of workers have lost as a result of the crisis and its developments.

The questions is: Is it possible to provide alternative jobs for the repatriates in light of the present unemployment problem? How much the creation of a job opportunity would cost? In case those workers were able to return to their jobs in the Gulf, what adequate and appropriate guarantees can be taken so that there will be no a recurrence of what happened?

AL-HAWADITH has put these questions to Dr. Hamdi 'Abd-al-'Azim, an economics expert and economics teacher at al-Sadat Academy for Administrative Studies in Egypt, who is known for his interest in emigration affairs and Egyptians working abroad, and who has several economic studies on this matter. We had the following interview with him:

[Salim] How do you view the problem of the large number of Egyptians who have been repatriated from

Kuwait and Iraq following the outbreak of the crisis and what is its impact on the Egyptian economy?

[Abd-al-'Azim] Estimates have shown that absorbing the repatriated workers in suitable jobs requires investments that are not available to Egypt at present. The cost of creating a new job opportunity requires an average of \$10,000 for those not working in the government and the public sector. The Public Treasury has borne the allocations for additional wages in order to provide jobs to workers reaching about 190 million Egyptian pounds in the 1990-91 budget, thus causing an increase in the budget deficit by the same amount. What has exacerbated this situation is that the public sector and the government were already suffering from over-employment and concealed unemployment before the repatriation of Egyptian workers. This has led to the IMF frankly asking Egypt to lay off a certain percentage of these workers, but Egypt, according to statements by Deputy Prime Minister and Minister of Planning Dr. Kamal al-Janzuri before the People's Assembly on 25 March, rejected that.

[Salim] How much would it cost to put back the expatriates in their jobs?

[Abd-al-'Azim] Estimates indicate that the amounts that need to be invested in order to provide job opportunities for Egyptians repatriated from the Gulf is equivalent to \$4 billion. In the meantime, Egypt is still suffering from the effects of the Gulf crisis on its foreign currency revenue in the tourism sector, the Suez Canal, and remittances of expatriate workers.

[Salim] Wouldn't this be offset by the increasing demand for Egyptian workers in Saudi Arabia and Libya?

[Abd-al-'Azim] There has been an increase in demand for Egyptian workers in Saudi Arabia and Libya, but the drop in the number of expatriate Egyptian workers and their remittances from the Gulf states is too great to be compensated by this increase.

[Salim] How do you view the situation now?

[Abd-al-'Azim] It cannot be denied that the problems of repatriated Egyptian workers will continue even after the crisis has ended and Kuwait was liberated. This is in light of statements by Kuwaiti officials about reducing the number of foreign workers, particularly since these constituted 72 percent of Kuwait's total population of 2 million people. The statements indicate that Kuwait will be contented with a population not exceeding 1.5 million because of increasing military spending and the loss of oil revenues since August 1990, a loss that will continue until oil installations are repaired.

In any case, the situation is not conducive to optimism, particularly since repairs, construction work, and removal of effects of the war are mostly undertaken by American companies that obtained contracts covering 70 percent of the work. The remaining 30 percent are to be carried out by British and French companies and a

number of locally-based Egyptian companies that will undertake delivering intermediate equipment and undertake mine removal. This will not generate sufficient job opportunities for the Egyptian workers.

[Salim] Did these developments occur after the Gulf crisis?

[Abd-al-'Azim] It must be pointed out here that the situation was not encouraging for the Egyptian workers with regard to the total number of foreign workers in the Gulf states in general before the outbreak of the recent crisis. Statistics issued by the GCC show that the Egyptian workers represented only 15.6 percent of the total of foreign workers in Kuwait at the end of the eighties, against 24.2 percent at the end of 1975. Which goes to indicate a decrease in the contribution of Egyptian workers in the Kuwaiti field of work.

Also, Egyptian workers represent only 12 percent of the total of foreign workers in Saudi Arabia, about 17 percent in the UAE, and 28.8 percent in the State of Qatar.

[Salim] What measures does this call for?

[Abd-al-'Azim] There is no doubt that this calls upon us to review our calculations with these states within the framework of striving for economic integration and lasting security of the area in light of Damascus declaration in order to grant Egypt and Syria preferential treatment and priority over the rest of other Asian nationalities. Egyptian and Syrian workers should also be accorded the best contractual terms without disregard for their just rights, if economic and military integration and the declaration of Damascus are to succeed and continue.

This should be accomplished within the framework of organized contracting between the ministries of labor in countries members of the Charter in order to guarantee jobs for Egyptian and Syrian workers and ensure that their percentage of total foreign workers is increased to no less than 75 percent.

[Salim] What should Egypt do in order to accomplish this?

[Abd al-'Azim] First, to open new foreign labor markets for Egyptian workers in some non-Arab developing countries, such as Iran, Afghanistan, and Africa. It has been established that the language barrier is almost nonexistent with regard to manual and skilled jobs.

Second, encouraging Egyptians to obtain any job opportunity abroad calls for the abolition of work permits and taxes on working abroad now in effect, as well as removing administrative obstacles represented in fixing the legal period of loaning [of workers], renewing such period, or interrupting it and immediately returning home, so that all this will not be an obstacle to Egyptian workers going abroad in order to work in any suitable field.

Third, in view of the fact that the bulk of workers repatriated from Iraq are farmers or peasants, efforts must be made with the World Bank, the UN International Development Organization [UNIDO] and others in order to obtain financial and technical assistance necessary for employing these workers in planting the desert, the land tracts alongside existing governorates and new towns, as well as in reclamation of reclaimable lands.

With regard to skilled workers, towns can be established for them alongside existing towns. They can at present be provided with the means to practice their trade in the form of cooperative loans from a bank specializing in dealing with skilled workers or from the Bank of Industrial Development or Nasir Bank, until a bank specialized in financing their activities with easy terms loans is established.

The government must announce a clear plan for the rehabilitation of a large number of farm workers and peasants in locations distant from the congested towns by announcing that land reclaimed by the repatriates will become their own provided they live near it permanently and collectively in a manner that would achieve a geographical extension of the urban area outside the population congested area of the Nile. The period of such residence should not be less than 10 years and provided that good agricultural production is achieved and is sufficient to repay the agricultural financing loans provided by the Agricultural Credit Bank and would also show profit.

Fourth, joint Arab enterprises should be established that would realize cooperation between Arab capital in the Gulf states and the work force available in the non-oil Arab countries, including Egypt, within the framework of security integration and arrangements at which the Damascus declaration aims. This is given the fact that economic security is an important basis for the achievement of political and military security in the area. Arab enterprises must also adopt work-intensive technology, that is to use more labor than machines in order to enable absorbing the large number of workers who cannot find work in Egypt and Syria.

Writer Calls for Arab Conference on Self-Criticism

91AA0498A Cairo AL-AHRAM in Arabic
27 Jun 91 p 12

[Commentary by Lutfi al-Khuli]

[Text] If it is true—and I think it is—that the Gulf crisis is not over, and that the desert storm which led to Kuwait's liberation and Iraq's military defeat is only the first chapter of a modern tragedy, the current storm, which is of an international character, to absorb [into the world order] the Middle East, with its Arabs, oil, security, and even its conflicts, is no more than the introduction to the second chapter of the tragedy. It seems that the rousing scene of this chapter, on the stage of events,

concerns the Arab-Israeli conflict and the Palestinian problem, which have become linked to what has become known as the region's security and stability in a world that is unsettled by major intellectual, political, military, and technological changes. Completely new questions arise unceasingly, as do newly formulated old questions, which arise from numerous springs, exhausting everyone in the search for answers. However, every answer produces dozens of question marks. Nonetheless, we have no choice but to confront the questions and continue searching for answers.

The question emerging grimly before us is: What role can we play in this tragedy for which we are supplying the stage, theme, and conflicts, even if others have so far provided the protagonists?

This contemporary tragedy is not the first in the modern history of the Arabs. It was preceded, for example, by the tragedy of the October War of 1973, in which the Arabs recorded their first notable tactical victory over Israel. However, this did not prevent them from disagreeing among themselves regarding the means and the method to exploit this victory realistically. These disagreements led to Egypt's isolation when it concluded the Camp David agreements, which were accompanied by an Arab dissension compounded by awful impotency, which resulted in the loss of a full decade of our "national life" in the trackless wilderness. There is also the tragedy of the first Arab-Israeli war in 1948, which entered Arab history, by word and deed, under the designation of "the calamity," which has been justified by the famous slogan "honor before land," according to which we willfully evacuated the majority of Palestine's Palestinian inhabitants.

In continuing our reflection on the past, we arrive at Muhammad 'Ali's defeat in 1840 at the hands of the West, then led by Great Britain, and the failure of his national plan to unify most of the countries of the Arab Mashriq into one strong, advanced—by the criteria of the day—state independent from the Ottoman Empire and other empires competing in the world at that time.

In the context of this book of tragedies, we cannot ignore the tragedy of the civil war in Lebanon or the tragedy of the Iraqi-Iranian war.

I am not a proponent of mechanical comparisons between the events and experiments of history. Nor do I espouse spuriously convincing ourselves that all of the misfortunes and setbacks that have befallen us can be attributed to a decree that we are to be the eternal victims of international conspiracies. Nor do I advocate trying to mold the facts of history into a single model of repetitive history that disregards changes in forms and in the political and intellectual lament—whose terms comprise a uniquely rich lexicon in our possession—which we chant, to the point of swooning, over our fate each time [a tragedy occurs].

This tendency, in my estimation, is not only a type of intellectual-political laziness (which would simplify matters) that we have practiced, regardless of whether we are self-described rightists, leftists, or those who go back and forth between the right and the left. It also reflects our (all of us without exception) tumbling onto the well-trodden path of paralyzed free will regarding thought and action, which deems easy (or savors) the position of the legendary victim, against which the strong are forever cyclically conspiring, from whom we can be saved only by a miracle in the age of the scientific and technological revolution, in which this type of miracle is escorted to the grave. This plunges us all—individuals, groups, parties, governments, and countries—into a type of intellectual and political piety fed by a frightening accumulation of defeats and frustrations, for which we are primarily responsible. We have not taken a courageous, self-critical stand regarding each defeat or frustration. We have not boldly derived the enormously costly lessons or remedied negative aspects and mistakes uncovered by a critical review. We have not invented indigenous, objective means and guarantees that prevent the recurrence of these mistakes, or more precisely, prevent them from being made again.

Whenever we—peoples, governments, parties, and intellectual and social schools—are faced with defeat or frustration, we explode in emotional, irrational anger against each other, flaying ourselves from time to time, thinking that it will purify us of our sins. However, as soon as this tantrum abates, we return, like noble Rima in our political folklore, to our old ways, exchanging accusations accompanied in many cases by primitive acts of revenge against each other.

Our councils are convened in Cairo, Rabat, Baghdad, Riyadh, Khartoum, Kuwait, Tunisia, Amman, or even in Djibouti, the newborn. If each of us—ruler, intellectual, businessman, or ordinary person—were equal in weight to the slander, disparagement, and various kinds of revilement levelled against each person absent from these councils, whether from a small or a large country, each of us would personally fall out like hair from the morass of the problems and catastrophes afflicting us. All of a sudden, everyone except him is responsible for what happened. In most cases, he goes so far as to say that if only one person in this country had listened to his advice and ideas, what happened would not have happened.

The danger of this intellectual-political-social circling in a vacuum, to which we have surrendered ourselves, is not just that it isolates us from reality; it is also certain to throw us all—rulers and subjects, civilians and military personnel, rich and poor, princes and watchmen—into dispersion and the wilderness. It is not an established historical fact that a country, nation, or nationality will continue to exist based merely on a geographical presence. Rather, a country, nation, or nationality survives, grows, and progresses if it can think and contend with the crises, defeats, and frustrations that befall it, and if it possesses the will to persevere and develop into a pillar

of civilization and a distinct but inseparable part of the world and the era. History is replete with countries, nations, and nationalities that have fallen into oblivion, perished, and fallen during the human procession.

At this time precisely, all of us in the Arab nation—countries, peoples, governments, and individuals—are facing a moment of true frankness with ourselves: to be or not to be after the Gulf crisis and the military, economic, political, and technological desert storm in a world that is changing fundamentally.

Yes, the Iraqi regime, by all measures, is responsible for what happened and where we are. However, the problem is not thought to exist in the present, but in the future. If it is correct that the Iraqi regime bears responsibility for the disaster, it is also nonetheless correct to place some of the responsibility on the other governments, countries, rulers, parties, intellectuals, and key figures throughout the Arab world, without exception. To think otherwise would be to bury our heads in the sand of our spacious deserts.

We have yet to be candid with one another in a critical, comprehensive, responsible manner at different levels regarding the facts and underlying causes of what happened and how we can remedy them fundamentally, to move forward from this catastrophe, from which we have wrung the last drop of blood, oil, and water, toward a better future in which what happened in one way or another cannot be repeated.

This frankness—without which we will not harvest the fruits of the healthiest solutions to free ourselves from our national, regional, and international ordeal—will be futile unless it takes into account, objectively and subjectively, the dialectics of the relation between the responsibility of the Iraqi regime and the responsibility of the other Arab regimes, peoples, parties, movements, and intellectual and political currents at the level of the entire Arab nation.

Our Arab world, including all of its states, is intensely fought over (sometimes to the point of bloodshed) by four, primary, intellectual currents that have expressed themselves in a number of open and secret parties and organizations. Even parties and organizations originating from the same current fight each other to the point of breaking each other's bones.

These currents include: Islamic political thought, with its religious sects and schools and political parties; Western liberalism, which was brought to us by Napoleon's campaign against Egypt in the early 19th century, with its organizations and numerous intellectual outlooks; the nationalist idea, as represented in competing political movements and organizations, including the Arab nationalist movement, the Arab Ba'th Party, and the Nasserist movement, which stem from the discovery of the Arab identity in confronting the Turkification pursued by Ottoman colonialism under the banner of Islam as well as Western colonialism, both new and old; and

finally the social, intellectual current, with its numerous socialist schools, from democratic socialism to Marxist socialism.

Since the defeat in the face of Israel in 1948, and with the unleashing of the Nasserist revolution in the early fifties, damaging conflicts have erupted between the four intellectual currents, their organizations, their parties, their numerous experiments to build authority, and their social-political-economic models. Each undertook to construct its ideology, policy, party, and experiment in government in all states of the Arab world, despite differences between them with respect to social, political, and economic development, and national characteristics. And they did so by force, even in confronting those who belonged to the same intellectual current (the Nasserists and Ba'thists in Egypt, Iraq, and Syria for example). An active part in these efforts has been played by intelligence agencies, terrorist organizations, and armed militias, which have violated the sovereignty of countries and killed "enemy" politicians, intellectuals, journalists, and unionists, on the pretext of the need to expedite the achievement of Arab, national unity at any cost.

The actual results of all of this, since the defeat of 1948 and the collapse of the Egyptian-Syrian union in 1958, until the Iraqi invasion of Kuwait in August 1990, is that nothing of significance has been achieved—not even unity between Syria and Iraq, which are both ruled by the Arab Ba'th Party. Nor have a joint Arab market or even economic, commercial cooperation been established. Inter-Arab commercial relations continue not to exceed 7 percent of total [Arab] commercial relations with the world. Not one inch of the land of Palestine has been liberated, and other Arab lands have been occupied. Trust between the Arab countries, peoples, and governments has declined to the vanishing point. The Arab world's image, as captured by the lenses of political photography, is one of a group of men who throw themselves into each other's embrace and kiss each other's cheeks endlessly, while holding onto daggers behind their backs. The advent of oil wealth in the Gulf and several North African Arab countries has increased the complexity and ferocity of matters.

What has brought us to this futile picture of close to 50 years of wasted human beings, time, effort, and money?

A group of closely linked factors and causes no doubt comprise an objective answer to this question. However, in this discussion, I will limit myself to dealing with a single reason which I view as pivotal. What is it?

Briefly, it is our lack, within each country or on the level of the entire Arab nation, of what is termed "national reconciliation" or "general, national reconciliation" between the different intellectual currents, political movements, parties, and regimes. Such a national reconciliation governs the conflicts and disputes that are inevitable in each historical period and establishes rules, or red lines which no regime or party is permitted to

cross in its conflict or dispute with others; i.e., conflicts or disputes are played out within a framework of values, rules, and boundaries which provide a common backdrop nationally for a general reconciliation stemming from frank disclosure and democratic dialogue between all parties. In this way, conflicts are transformed from having a hostile, destructive character to having a constructive, healthy character.

The problem in each of our countries and in the Arab nation is that the intellectual and political organizations associated with these four, basic, intellectual currents, which make up the Arab mind and emotions, have yet to sit together in a free, direct dialogue based on reality and its problems and a panoramic view of the future. The Arab world lacks that creative friction between the sparks of minds with divergent ideas, views, and conceptions. It is that friction which can generate an historical, collective enlightenment movement able to structure national reconciliation in a way that protects the country, homeland, and citizen from the mistake of a foolhardy undertaking and the denial of another's existence to the point of liquidating and destroying him due to a mere intellectual or political disagreement with him.

We in the Arab world have not known the enlightenment movements known by the European countries in the 18th century, America in the 19th century, and the Soviet Union and China in the late 20th century. These movements have helped them manage intellectual and political conflicts in their societies against the background of national reconciliation in each historical phase of their development. This has allowed them, to varying degrees, to achieve stability, continue progressing, and uncover and correct errors, without oppression or detriment to democratic mechanisms, freedoms, and human rights.

The Gulf crisis, in my estimation, is the straw that broke the camel's back in every Arab country, including Iraq. Hence, the time has come for self-criticism within all intellectual, political, and social components of the Arab self. We have delayed seizing this movement for at least 50 years.

How can we engage seriously and objectively in this self-criticism and not miss the historical moment created by the catastrophes and challenges of the Gulf crisis?

We now live atop a towering mountain of defeats, frustrations, and mistrust which has formed over the past 50 years, despite several bright moments.

This mountain must be eliminated if we want to survive as Arabs, a nation, and an active part of this new world, which is beginning to take shape with a force and boldness that challenge implicit assumption which we have falsely held sacred. History has never witnessed a human idea, individual, or human experiment that is sacred.

Hence, a top priority emerging in our agenda after the Gulf crisis and war is the need to prepare well to convene

a self-criticism conference in each country, and then at the level of the entire Arab world. Such a conference would be attended by responsible representatives of each intellectual current, political party, and regime. They would engage, in front of others, in self-criticism of their courses and experiments in a democratic climate pervaded by mutual tolerance and a desire to learn from each other. The goal of such a conference would be to create a true enlightenment movement, which, through open dialogue, would crystallize foundations, values, and rules for national reconciliation within each country and throughout the Arab world, which would govern and guide the management of the conflicts and disputes that are inescapable in promoting peaceful change and development in this sensitive, extremely complicated period after the Gulf crisis and war, with its visible catastrophes and its catastrophes that are still hidden beneath the surface of current events.

The call for such a historical conference for Arab self-criticism, and preparation for it, can be based on collective action initiated by the research and studies centers in the Arab world as a first step.

Yes, this is the starting point of a new history and a new, unprecedented march toward new foundations, values, and relations in a changing world.

Shaykh al-Khatib on Women's Issues, Youth Groups

91AA0475A Cairo AL-NUR in Arabic 19 Jun 91 p 4

[Interview with Shaykh 'Abdallah al-Khatib by Shu'ayyib al-Ghabashi; first two paragraphs are AL-NUR introduction; place and date not given]

[Excerpts] Shaykh Muhammad 'Abdallah al-Khatib was born in the village of Juhaynah in Markaz Tahta in the governorate of Sawhaj. He memorized the Noble Koran at the kuttab [traditional Koran school] in the village and studied at compulsory [elementary] school.

After memorizing the Koran, he was admitted to the religious institute in Tahta and obtained a primary diploma. He then obtained a secondary al-Azhar certificate from the Sawhaj Religious Institute. He enrolled in the College of Principles of Religion in Cairo and obtained an advanced degree with a specialization in teaching from the Arabic Language College. He then worked in the imam's office and in preaching in the Ministry of Awqaf [religious endowments]. He then transferred to the technical office for Islamic propaganda subordinate to the Ministry of Awqaf. He was lent to Libya, where he worked in the technical office in the sermon and guidance administration in Tripoli. He then worked in the Islamic Affairs and Awqaf Ministry in the United Arab Emirates in the position of senior sermonizer and head of the fatwa [formal legal opinion] department. [passage omitted]

[Al-Khatib] The current picture of the al-Azhar student emerges clearly when we compare education at al-Azhar

now and what it was before the development. We find an enormous difference between them. Before the development, the al-Azhar student came to the institutes having memorized the entire Noble Koran. He was tested in it as a condition for admission. He then received nine years of instruction in Islamic studies, the Arabic language, different aspects of Islam, and other sciences, such as history, geography, natural science, health principles, logic, and drawing. If a student went on to the colleges, the colleges played an effective role in preparing him to become a Muslim cleric, teacher, judge, legist, interpreter, transmitter of Prophetic traditions, and sermonizer. All of this is no longer the case, which explains the weakness of the al-Azhar student, and consequently, the weakness of the graduate, who is no longer correctly prepared as he was in the past. [passage omitted]

Hidden and open policies are no doubt behind the variety and multiplicity of Islamic groups. However, in any case, every Muslim who is true and sincere to his religion and Islam loves reconciliation, calls for uniting the ranks, wants unity among Muslims, detests and moreover abhors deviation and disunity, and believes that the trend toward positivism and development is the foundation. He works justly for Islam. It is said that it is a thousand times better to light one candle than to curse an evildoer. The issue is primarily one of correct understanding and becoming free from possibilities of capriciously going astray. Whoever is surrounded by the principles of Islam and understands its goals can be found throughout his life, wherever he is, building rather than destroying, bringing together rather than separating, strengthening rather than weakening, purifying his heart of rancor and malice, even toward his rivals, and dealing with people tolerantly and lovingly, so that the people understand that we are fulfilling a noble task, not seeking revenge. Islam is the religion of God the Sublime. God grants victory to those who are loyal to Him and exposes and uncovers those who bear a grudge.

Uniting the Groups

Yes, Islamic action can be unified under a single banner if the conditions of unification exist. These conditions are a correct understanding of Islam, love, and mutual tolerance. With exclusive, full devotion to the call of God the Exalted and Almighty, this unification will become possible and easy. The Merciful turns around the weakness that is in souls, minds, and hearts between his two fingers as he wishes.

Advocates of women in the labor force have their justifications. One such justification is that work develops women's personalities and relieves them of the boredom of the emptiness of the home. Secondly, nations progress based on an abundant labor force. Women constitute one half of society and should not be unemployed. Thirdly, by working, women can help their family providers. If a woman does not have a family provider, she works to provide for herself. This is among the most important justifications maintained by advocates of the participation of women in the labor force. It would be

useful to discuss these justifications devoid of fanaticism or passion. The opinion that a woman can develop her personality by working is based on a perception of the ignorance that prevailed among women of the previous generation. They lacked knowledge of the sciences, religion, and aspects of culture. Such knowledge develops their personalities, opens new horizons, and defines their position and mission inside and outside the home. This ignorance stunted the development of their personalities and bequeathed them a narrow horizon. However, the situation has changed. Women now realize that seeking knowledge is a religious duty and a right, and that they have a mission in life which they must fulfill, which is to care for coming generations and to build the nation through the new generation.

Yes, Women Constitute One Half of Society

Yes, if the Muslim woman plays her true role in life, her exodus to the factory, bank, or organization to work the entire day, only to return overworked and unhappy, has no meaning, especially if the result is a salary which she might not need. The American author Phyllis [last name not given], asks: "Should we women be considered traitors if, after having finally obtained our freedoms, we were to return to our former role in the home?"

I have decisive views on this point. I am resolved that women have more than a right to remain with the troubles of the home. I value their importance and task in the human domain to the extent that I consider them qualified to devote their lives to the advancement of the nation in the plurality of the labor force. This trend is affected by an admiration of the West and a desire to emulate it. However, there is no doubt that the ignorance of women among us in the past regarding life, their selves, their true role, and the effect of that role on their homes, children, and relationships with their husbands might induce anger if it is assumed that she does not work and is unemployed. However, the correct thing is that if a woman fulfills the role with which she has been entrusted in life, she will have performed beneficial work, especially if she cannot reconcile between work outside the home and her work inside her family. A woman who works to provide for herself enters into the realm of necessity. Islam permits such a woman to undertake appropriate work in an appropriate place if she requires that, knowing that society falls short regarding the right of these needy and poor. Society must be responsible and care for them, so that women are not compelled to go out to work for the sake of a morsel of bread.

Ministry Submits Report on State of Economy*91AA0538B London AL-SHARQ AL-AWSAT in Arabic
16 Jul 91 p 10*

[Article: "Big Drop in Egypt's General Budget Deficit"]

[Text] A followup report by the Egyptian Ministry of Planning on the economic and social performance in the past nine months of the 1990-91 plan notes that there was a big drop, amounting to 220 million pounds, in the state's general budget deficit during that period.

The followup report points out that the activity of the state's general budget accounts, according to Central Bank data on government credit (revenues) and debit (expenditures) transactions concluded during this period, resulted in collecting revenues amounting to 39.4 billion pounds while the expenditures amounted to 40.8 billion pounds.

The report adds that the domestic financial inflow (revenues) resulted in growth rates exceeding the growth rates in the external financial outflow (expenditures), thus considerably reducing the deficit in the state general budget's current activity from nearly 3.9 billion pounds in the corresponding period of 1989-90 to nearly 1.5 billion pounds during the followup period. This shows progress toward achieving the [objectives of the] economic reform policy, especially the gradual elimination of the budget deficit.

The report also says that the investment expenditures implemented during the followup period amounted to nearly 13 billion pounds or 80.9 percent of the targeted implementation. The report stresses that there was a slight improvement in the trade balance, considering that the transactions in this balance resulted in reducing the deficit to 13.581 billion pounds, with a drop of 41.4 million pounds below the deficit for the corresponding period in 1989-90.

The report also notes that the outcome of the remittances of Egyptian expatriate workers rose to nearly 8.563 billion pounds, with an increase of 8.7 percent over the corresponding period in 1989-90.

As for transactions with the outside world, current payments during the followup period amounted to nearly 33 billion pounds whereas current revenues amounted to nearly 35 billion pounds, thus resulting in a surplus of 1.6 billion pounds in the current transactions balance, compared to a deficit of 262 million pounds during the corresponding period of 1989-90.

Three Economists React to IMF Agreement*91AA0485A Cairo AL-AHRAM AL-IQTISADI in Arabic
10 Jun 91 pp 8, 9*

[Article: "An Agreement, or a Disaster?"]

[Text] This issue reports on discussions by a panel of distinguished economists convened by AL-IQTISADI to

debate only one issue—where do we go from here now that we have an agreement with the IMF?

But other related issues also came to the fore: What would have happened had there been no IMF agreement? Was that agreement imperative? What other options were available? Are we being pressured? What sort of relationship do we have with the IMF? What was the outcome of earlier agreements? Were they successes or failures and why? How do we ensure the success of economic reform?

In short, should we be optimistic about the agreement with the IMF?

Those questions and more were addressed by three distinguished economists quite familiar with the IMF and the World Bank: Dr. Sa'id al-Najjar, adjunct professor of economics at Cairo University, who served with the IMF for many years as representative of the Arab bloc; Dr. Sharif Lutfi, former vice-chairman of the Investment Authority and a renowned economic expert; and Mr. Samir Karim, executive director of Arab African Bank and a veteran of myriad negotiations with various countries and international organizations.

The Agreement is Pivotal

Dr. Sa'id al-Najjar emphasized that Egypt's agreement with the IMF is vital and in fact marks the beginning of a new era. The agreement covers all aspects of economic reform and we hope it will be fruitful, enabling us to pull the Egyptian economy out of its predicament of recent years. I do not, of course, wish to exaggerate the Arab consequences of the agreement since that would be improper analysis. There will be difficulties along the way but I believe that the objectives of the agreement will be achieved over time.

We once had an agreement with the World Bank—in 1987—but it was a failure. We certainly do not want a repeat experience. The veracity of the Egyptian government is at stake and all efforts—political, financial, and economic—must be dedicated to the success of that venture. Moreover, conditions are currently favorable to Egypt and may not be so advantageous in the future. International institutions, world organizations, and creditor countries are sympathetic towards Egypt. The country had 50 percent of its debt forgiven and has been able to secure a lot of aid. I am optimistic about the political consensus to bring this agreement to fruition.

Egypt's Past Relationship with the IMF

Dr. Sharif Lutfi expounded on past Egyptian agreements with the Fund and the [World] Bank. He said it concluded a few agreements with the IMF since the 1960's but they were minor since the deficit and other economic problems were at their inception. More comprehensive solutions became necessary as problems compounded over time. I believe that the current agreement is vastly different from its predecessors and is also comprehensive enough for broad reform. The critical issue here is

governmental and political diligence in implementing the accord. In the past, there was sometimes no absolute commitment to implement the agreements. This time, however, there seems to be a commitment or a willingness to commit. There can be no reform, with or without the IMF, unless such reform is believed to be imperative under all conditions.

Was There Pressure?

Samir Karim, a member of the team that negotiated for Egypt with the Fund and the World Bank, denied that Egypt was subjected to any pressure during the talks. In negotiations with the Fund, we always put forth letters of intent—the so-called love letters—written and presented by the Egyptian government after negotiating what it can and can not do. That is why it took three years to reach agreement with the International Monetary Fund. In all the negotiations I was party to, it was the position of the Egyptian government that reform must be gradual. That was not the issue. The issue was how fast is the pace. Previous agreements did not have the benefit of information and psychological campaigns to ensure mass acceptance. Today, 30 years after the first IMF agreement, awareness has matured. [Prior] agreements were one-year short-term accords called support agreements. The current accord is a three-year agreement on economic reform to be implemented in stages. To ensure diligence, a portion of the debt will be forgiven on the successful completion of each stage. We pray to God that this agreement does not fail in the manner of the 1987 agreement because it is like a yellow [vaccination] certificate without which no entry would be granted a citizen from an area of epidemic. We would have no access to world capital markets without this certificate which we will hopefully carry for the next three years in order to achieve targeted reform. There is no pressure more intense than pressing need. We know what we need and nobody but us dictates our letter of intent. We write it and we sign it. It is in effect a letter to Fund directors from the Egyptian government proclaiming its intention to carry out economic reform in certain stated stages. The letter, signed by a representative of the Egyptian government, is not an agreement between debtor and creditor. Rather, we declare intent which may or may not be acceptable to the IMF board. Our letter of intent was accepted, Thank God, and the IMF found the steps put forth in it by the Egyptian government adequate to accomplish economic reform over the next three years.

Expectations

As to expectations once the measures adopted by the government are completed, Dr. Sa'id al-Najjar said that three years down the road, after the successful completion of the first and second stages as stated, the picture painted by the agreement itself calls for many tangible changes such as:

1- The annual rate of inflation will drop from 30 percent to below 5 percent. This means that prices will cease to escalate and that the constant spiral will slow down. Such

a decline in the rate of inflation will be felt by the ordinary citizen since escalating prices hit those with modest means the hardest. That will be the first tangible result to be perceived by the ordinary citizen.

2- The Egyptian economy will be capable of enough growth to absorb the unemployed as well as additional manpower. This will not happen overnight, not even over three years, but unemployment will start to shrink as the rate of growth rises. We must all join forces to push for the success of this agreement which is vital to Egypt's economic future.

Was There an Alternative?

Dr. Sharif Lutfi saw no other option out of this economic crisis which would have festered in the absence of an agreement with the Fund as was the case in previous years. We all know the manifestations—a widening budget deficit, ballooning inflation, plummeting exchange rates, festering unemployment, etc. Egypt's economic problems are a classic example of what happens when the state budgetary deficits persist. Those problems would have intensified [without an IMF agreement] and the foreign debt crisis would have been farthest from a solution. Providing \$24 billion is in itself a major accomplishment of the IMF agreement.

The Experiences of Others

Mexico's agreement with the IMF and the World Bank was an example of a successful endeavor, according to Dr. Sa'id al-Najjar. Success was indicated there by higher rates of growth and a gradual decline in unemployment. Mexico has been able to control the rate of inflation which declined substantially, enabling it to support the price of its currency. Such are the real issues that the agreement will hopefully help us achieve. India was also similarly successful.

But there have been failures, as must be pointed out. An example that comes readily to mind is Yugoslavia's experience; and Turkey's to a lesser extent. Its [Yugoslavia's] agreement with the Fund and the Bank coincided with soaring inflation, severe deterioration in the value of the currency, and rising unemployment.

Turkey fared better and improved its balance of payments but was unable to control inflation or protect the value of the currency.

We need to avoid the experiences of Yugoslavia, Turkey, and Ghana. We would like to approximate the experiences of Mexico, India, and South Korea.

The Elements of Success

Dr. Sa'id al-Najjar attributed the success of Mexico and India to political determination. There is no denying that there are some difficulties [facing Egypt], such as the sales tax and the ceiling on credit but we hope that political determination will sidestep such impediments and carry on with the agreement. The need to mobilize all efforts and give rein to the political will is reflected in

the political determination to believe that economic liberalization is mandatory and vital for the ordinary citizen. To do so, channels of communication must be established with political, labor, and business leadership. In other words, our course along that path must be subject to continued debate.

The issue of economic liberalization—its elements and fundamentals—was emphasized and clarified in the president's address of 1 May which pointed out that it was initiated in 1982 with the support of all sectors.

Africa's Experience

Samir Karim said that Fund programs have met with considerable difficulties in Africa where most countries have one- or two-crop economies. The Ivory Coast implemented Fund programs but it experienced a decline in foreign currency receipts due to soft markets for coffee and cocoa. We might face a similar situation since expatriate remittances are a major source of [foreign exchange revenues]. A rise in remittances will lead to better implementation of the [reform] program; a drop will present difficulties. It might be necessary at the appropriate time to rethink certain aspects of the program and refer back to the Fund.

Certain countries in Africa began on the right foot but backslid due to the lack of political determination to maintain the reforms.

Samir Karim expressed satisfaction with the IMF agreement. Without the agreement and in the absence of the program, inflation, the balance of payments deficit, and unemployment would rise. That was noticeable in the program of 1987—and also of 1978—which lasted a mere three months. We made an initial draw but the Fund did not give us enough. We were also rejected by other Funds. We would have had validity in dealing with international funds and organizations had we been diligent with our reform program. Implementing reforms and the IMF agreement would help us reduce the cost of borrowing. When we initially implemented our first agreement with the Fund, the cost of borrowing dropped in 1983 to the lowest possible level but rose again when we put the accord aside.

Amendments to Provisions

Responding to a question on the possibility of modifying certain provisions, Dr. Sa'id al-Najjar said that there is room to amend certain provisions of the agreement in light of developments at the time of implementation. The agreement is based on suppositions and assumptions by both the Egyptian government and the Fund, and flexibility is in order since such assumptions may not come true or may become impediments. Flexibility was expressly stated in the Fund's agreement with Mexico which is dependent on oil exports. The agreement expressly stipulated that should petroleum prices fall below a certain level, Mexico would be entitled to more financial resources and to request softer agreement provisions. It was also agreed that Mexico would be

entitled to additional financial aid should the growth rate of its national economy decline below a certain point. We did not find such flexibility in Egypt's agreement with the IMF but this does not preclude adjustments by the Egyptian government when necessary. The important issue is to maintain mutual trust between Egypt and the Fund. [The IMF must be] confident that Egypt has the political will to [implement reform] and that whatever changes sought are not a ruse to dodge its commitments. Egypt, on its part, must be confident that the Fund does not wish to embarrass it. With trust, we can go back to the Fund for the flexibility needed for the success of the agreement.

Unprecedented Agreement

Dr. Sharif Lutfi added that a singular aspect of the agreement was the abolition of \$25 billion in debt—a huge sum that is unprecedented. Maybe Holland has a similar agreement. Other advantages of the accord are that it opens the door for debt rescheduling on concessionary terms and for new funding sources to maintain economic development.

Early on in the negotiations, our debt was not being serviced but no action was taken against us. The fund and other world organizations are willing to consider Egypt's specific circumstances which mandate certain imperatives. The critical issue is to gain their continued confidence in sustained economic reform.

Dr. Sa'id believes that the IMF agreement has rid Egypt of many problems, most notably those of indebtedness which would have remained burdensome, and of spiraling inflation. The rates of growth could have also declined further. The objective of the agreement was to confront Egypt's problems candidly and to bring an end to its crisis.

Ultimately, the IMF agreement will herald a new era for the Egyptian economy. The climate is favorable to the success of economic reform. Successful implementation of the agreement will improve Egypt's position as it deals with economic problems. There will be difficulties but they will diminish over time. Egypt has had long relations with the IMF but it is Egypt that drew up and planned the economic reform program it submitted. The Fund has neither applied pressure nor imposed conditions.

In the final analysis, successful implementation of the agreement means that prices will not continue to escalate as they have and that the Egyptian economy will be able to absorb the unemployed as well as [new] manpower. The absence of agreement with the IMF would have meant aggravated problems and continued burdensome indebtedness without ability to repay. It would have also meant widening unemployment and declining rates of growth. An agreement with the IMF is therefore necessary. It is one of the best the IMF has ever concluded with any country of the world. The agreement has many advantages and is flexible enough to allow for renegotiations with the Fund should certain provisions become

cumbersome. Our success in implementing economic reform is a function of diligence, commitment, and perseverance in overcoming impediments to this 1,000 day or three-year program.

Bank Study Reveals Public Sector Deficits, Other Problems

91AA0473A Cairo AL-WAFD in Arabic 16 Jun 91 p 3

[Article on a study covering 1989/90 by Dr. Husni Hafiz, the first deputy of the National Investment Bank by 'Ali Yasin]

[Text] AL-WAFD was able to obtain a study on the actual situation of public-sector companies. This study also contains some of the recommendations adopted by the government in drafting the Business Sector Law. The study indicates the extent of the deterioration and the lack of administrative discipline in public-sector companies, which represent most of the state's economic wealth. The paid investments to develop these companies during the past decade have totalled more than 40 billion Egyptian pounds, and the assets of these countries amount to more than 200 billion Egyptian pounds. Nonetheless, these companies, numbering 365 industrial and commercial companies, recorded a deficit of 46.9 million Egyptian pounds with respect to their main activity, which means that most of the country's wealth did not realize any return, but rather a loss that cannot be offset.

To clarify the picture, we should follow this study, which was prepared by Dr. Husni Hafiz, the first deputy of the National Investment Bank and the economic expert who supervised the financing of most of the public-sector companies during the past decade.

The study begins by clarifying the facts on the public sector's net assets. It indicates that they currently total ten times the amount of their book value. For example, we find that the value of a feddan of land owned by the agricultural companies is still appraised at 100 Egyptian pounds, whereas its real average cost in some areas is 17,000 Egyptian pounds. Another example is the Marriott Hotel. The book value of its land, 14 feddans, is approximately 700,000 Egyptian pounds, compared to a true value of more than 300 million Egyptian pounds. The study emphasizes that these companies' realization of a distributable surplus is not achieved through their primary activity, but is the result of: the trading or sale of assets; the support which the government provides to these units, especially regarding infrastructure; the increase in interest rates; and steadily increasing rates of annual inflation. The study points to an increase in short- and long-term loan servicing burdens and an increase in interest rates and their related expenses, which burden the companies, weaken their financing structures, and render them unable to repay loans on time, resulting in an increase in overdrawing by public-sector companies, which totalled 4 billion [Egyptian pounds] in the past year. For example, the companies of

the construction and construction materials sector over-drew 1,287 million Egyptian pounds, and the interest due last year totalled about 193.4 million Egyptian pounds.

The study indicates that a financial and economic analysis of the balances of 365 companies shows that 202 companies recorded a deficit in their real activity of about 1,516.300 million Egyptian pounds, whereas the other companies, numbering 163 companies, realized a surplus of 1,469.4 million Egyptian pounds. This means that the aggregate of public-sector companies recorded a deficit of 46.9 million Egyptian pounds regarding their primary activity last year. In comparing this deficit to the enormous investment—270 billion Egyptian pounds—in public-sector projects, we find that development has ceased and moreover has regressed into a deficit that cannot be offset.

Continual Losses

According to the study, of the 35 companies in the agriculture, irrigation, and land reclamation sector, 26 recorded a deficit of 130.6 million Egyptian pounds, and nine realized a surplus of 50.8 million Egyptian pounds, for a net deficit of 79.8 million Egyptian pounds.

Of the 38 transportation and communications companies, 21 recorded a deficit of 22.5 million Egyptian pounds, and 17 realized a surplus of 67.5 million Egyptian pounds, for a net deficit of 10 million Egyptian pounds. Of the 43 food supply and domestic commerce companies, 16 recorded a deficit of 75.6 million Egyptian pounds, and the rest, 27 companies, realized a surplus of about 153.5 million Egyptian pounds, for a net surplus of about 77.9 million Egyptian pounds. The 13 foreign trade companies, which restrict their activity to importation and exportation, realized a surplus of 124.8 million Egyptian pounds, and one of them realized a loss of 1.9 million Egyptian pounds.

Of the 12 cotton companies, nine recorded a deficit of 13 million Egyptian pounds, and three realized a surplus of about 5.9 million Egyptian pounds, for a net deficit of 7.1 million Egyptian pounds.

The 27 housing and construction companies, 13 construction materials companies, and six construction companies recorded a deficit of 407.1 million Egyptian pounds. Of the 11 pharmaceutical companies, seven recorded a deficit of 37.3 million Egyptian pounds, and four realized a surplus of about 12.6 million Egyptian pounds, for a net deficit of 24.7 million Egyptian pounds.

Of the five tourism companies, two recorded a deficit of 1.1 million Egyptian pounds, and three realized a surplus of 6.1 million Egyptian pounds, for a net surplus of 5 million Egyptian pounds. The study then moves on to the Industry Ministry's activity. It indicates that, of the 31 textiles companies, 18 recorded a deficit of 127.8 million Egyptian pounds, and 13 realized a surplus of

124 million Egyptian pounds, for a net deficit of 3.8 million Egyptian pounds regarding total activity.

Regarding the food industries, six companies recorded a deficit of 68.2 million Egyptian pounds, and 13 companies realized a surplus of 292.25 million Egyptian pounds, for a net surplus of about 224 million Egyptian pounds.

Nine chemical companies recorded a deficit of 146.4 million Egyptian pounds, and the remaining 18 companies realized a surplus of 71.1 million Egyptian pounds, for a net deficit of 75.2 million Egyptian pounds.

Of the 19 engineering companies, 14 recorded a deficit of 82.1 million Egyptian pounds, and five realized a surplus of about 66.2 million Egyptian pounds, for a net deficit of 15.9 million Egyptian pounds.

In the minerals industries sector, five companies recorded a deficit of 126.1 million Egyptian pounds, and four companies realized surplus of 244.1 million Egyptian pounds, for a net surplus of 118 million Egyptian pounds. In the mining sector, seven companies recorded a deficit of 35.7 million Egyptian pounds, and two companies realized a surplus of 3.1 million Egyptian pounds, for a net deficit of about 22.6 million Egyptian pounds.

Even Oil and Electricity?!!

Of the 12 companies in the oil sector, two recorded a deficit of 33.3 million Egyptian pounds, and ten realized a surplus of 138 million Egyptian pounds, for a net deficit of about 104.7 million Egyptian pounds. Regarding electricity, ten companies recorded a deficit of 70.9 million Egyptian pounds, and two companies realized a surplus of 5.5 million Egyptian pounds, for a net deficit of 65.4 million Egyptian pounds. Finally, the study deals with defense production companies. Of the 18 defense companies, 13 recorded a deficit of 78.95 million Egyptian pounds, and five realized a surplus of 16.8 million Egyptian pounds, for a net deficit of 62.1 million Egyptian pounds. Based on an evaluation of the previous figures, the study concludes that there is a major economic imbalance in most of the companies of the public sector, and that the rate of investment in these companies was negative in the period of the study, which is 1989/90. The study discusses the activity of the second stage in these companies, which is represented in their other activities. We find that these companies resort in many cases to the sale of some fixed assets to realize earnings that have no relation to production. Also, these companies do not repay their debts to the National Investment Bank, which are represented by repayment installments in connection with loans provided under the five-year plan. Also, these companies deposit their equity surpluses in commercial banks to obtain higher interest, even though the law requires the deposit of these funds in the National Investment Bank. These illegal practices, which have no relation to production, have resulted in final account statements for these companies that show a surplus, when, in actuality, they are

selling the illusion to others. The truth is clear to every official. At the conclusion of its analysis, the study indicates that the value of investment uses of these companies, in the past year of the plan, totalled 4 billion Egyptian pounds. In addition, previous uses, in the period beginning with the first five-year plan until last year, totalled 30 billion Egyptian pounds. This means that the public sector is incapable of financing a large portion of its investments, which is a main reason for the inflation of the foreign debt and the increase in the balance of payments deficit, which the development plan aims to rectify. The study ends with a number of recommendations to develop the exhausted public sector. It calls for:

- The determination of vital and strategic companies that must continue at present and in coming years to be subordinate to the public sector.
- The establishment of a central agency under aware, expert leadership, separate from the governmental administration; the subsequent elimination of the public-sector authorities, which are not fulfilling the role required of them; and the establishment of holding companies to replace the public-sector authorities.
- The elimination of hidden unemployment in public-sector companies by linking wages to production.

Funds Diverted From Small Industries to Banks

91AA0480A Cairo AL-MUSAWWAR in Arabic
28 Jun 91 pp 14-17

[Article by Safa' Luways: "More Than 1.5 Billion Pounds Allocated for Small Industries; Youth Still Searching for Financing!"]

[Text] Approximately 1.2 billion Egyptian pounds from the Social Development Bank, 60 million pounds from the Daman Mukhatir al-A'tman Company, \$20 million from two small industrial associations in Cairo and Alexandria, \$100 million from the Industrial Development Bank [IDB], 50 million Egyptian pounds from the National Bank, 20 million from the Faysal Islamic Bank, and \$10 million from the National Development Bank.

Despite that, young people who want to establish small industries are still searching for someone to finance them, in order to escape from the unemployment crisis. Doors are still closed in their faces, either because one of the financing quarters wants to profit from funds allocated for this sector, through depositing those funds in a foreign bank, or because other quarters are rigidly or arbitrarily imposing higher interest rates, and demanding more collateral, than these young people can afford. Some quarters offer loans without collateral, but they favor a group of professionals who are actually working, over helping graduates who want to work for the first time.

The problems that owners of small industries face do not stop with financing alone, but rather, go beyond that to many other problems, with respect to marketing

attempts, production, and technical training. Because of the nonavailability of training centers, 40 percent of workshops and small industries in al-Hirafiyin City are idle.

The issue of small industries' growth in Egypt has raised a number of important questions, headed by: Why did the industrial complex in Tenth of Ramadan City fail? Why did officials and governors abort self-efforts by the labor sector to endorse that issue? Why did the IDB cut off financing to owners of small industries, and why is the percentage of loans being offered to this sector only 15 percent of the total loans granted to IDB clients?

What is the reason behind the delay in starting the Small Industries Company, which was established by three public sector banks, in terms of the actual situation, and why are its chiefs just content to pay themselves their annual earnings?

Finally, since field studies have confirmed that approximately 89 percent of the unemployed are graduates of universities and higher institutes, and that 50 percent of workers want to leave clerical jobs and transfer to manual labor, in order to improve their living standards, on condition that vocational training is provided, AL-MUSAWWAR opens the files of small industries in Egypt, by virtue of their being the only outlet to remedy the unemployment crisis and increase growth rates. Benefit must be derived from the 522 training centers republic-wide, in order to transform university graduates into small industrialists. There is also the need to direct governmental and foreign financing into legitimate channels, before the experience of subsidies in Egypt is repeated, with those millions going to the undeserving!

In al-Hirafiyin City, we met with a number of small industry owners, who were graduates of universities, higher institutes, and technical schools, with various specialties, including engineering, agriculture, applied sciences, electronic technology, commerce, humanities, and law. They are spending their working lives far from the speeches of the labor forces, and far from the intercession and patronage involved in obtaining the chance for a real job.

Loan Obstacles

More than 300 workshops, and 300 industrial projects, are active in fields of auto body and spare parts, tires, electrical elevators, wood industries, the leather, ready-made clothing, and tricot industries, batteries, tires, art works, and glass etching. Despite facilities that the governorate of Cairo offered to the owners of small industries in al-Hirafiyin City, where it granted a free apartment and shop to each three graduates, provided that the IDB finance those industries, the situation was still not devoid of obstacles and problems standing in the way of young peoples' ambitions to be the owners of small businesses. This was made clear by Engineer 'Atif Abu-Jabr, who heads the League of Small Industries in al-Hirafiyin City, which has 900 members, and who owns one of those small projects. The IDB suddenly, and

without justification, stopped helping those small industries, despite its material resources that had been earmarked for this purpose. The bank had been offering material assistance to the small industry owners, in the form of machinery and tools required for the project, with a maximum of 50,000 Egyptian pounds, aside from cash liquidity amounting to 5,000 Egyptian pounds. Only seven individuals benefitted from this program. Obstacles began to be placed in the way of those who wished to benefit from the youth loans. The bank demanded that a percentage ranging between 20 and 50 percent of the value of the machinery be paid. This meant that newly-graduated young people had to have cash liquidity ranging from 10,000 to 25,000 Egyptian pounds. This is impossible for any graduate from a middle class family. Moreover, the IDB canceled any support for young people in the form of the the 5,000 pound cash grant.

These difficulties did not stop at that point. On the contrary, the matter escalated into the bank's refusal to be committed to the interest rate on the loans, which had ranged between 7 and 9 percent. It was stipulated in the contract concluded between the bank, and those who wished to do business with it, that the bank had the right to change the interest rate whenever it wished.

Regarding other sources of financing, Eng. 'Atif Abu-Jabr stressed that financing terms from some other available quarters are still far from the type that young people can handle, despite the funds that the Faysal Islamic Bank allocated for small industries. This amount is estimated at 1.5 million Egyptian pounds, with a maximum per loan of 50,000 pounds per individual, at a 10 percent interest rate. One of the bank's conditions is that the loan be repaid monthly. This is difficult for small industry owners, in view of the fact that the production cycle exceeds three months. In general, bank officials have promised to change that schedule, so as to be in harmony with young people's circumstances.

With respect to material support, offered by the Association of Small Industries For Development of Small Industry Craftsmen, the owners of small industries commented on that, to the effect that the association in fact offers easy loans, and does not put obstacles in their path in obtaining those loans. On the contrary, workers in the association go to the small industry owners to offer them material assistance. Despite the fact that the repayment period is every six months, and the interest rate is approximately 1.25 percent monthly, the value of the loan is small, no more than 3,000 Egyptian pounds. The league has also asked officials in the association to increase the amount of the loan, and they have promised to do that in the near future.

These material difficulties facing young people, eager to enter the small business field, have prevented expansion in this area, except when private financial support is available, or when two young people convince a third to give them financial support and, in exchange, bring him in as a partner into the small business. The liquidity

crisis has also prevented certain existing small industries from continuing. All they could do was close their doors until "happier times."

Production Problems

Young Eng. Mustafa Qarni, the owner of a small machine shop, asked: Where is the role of the Ministry of Industry, the General Industrialization Board [GIB], and the Public Sector Organization for Engineering, Mineral, and Electrical Industries? What is their role as centers for technical investments?

Both Muhammad Ashraf, who has a degree in agriculture, and who works in the field of ready-made clothes, and Ayman Ambabi, with a humanities degree, who works in watches, made it clear that the GIB, "when we began to work as small industry owners in al-Hirafiyin City, sent a representative to us to follow up, and to offer advice. This situation only lasted three months. After that, follow up and supervision became 'farther and farther away.' When the board's representative was present, he did help us to resolve many disputes between young people and the IDB, by determining the kind of machinery and tools, and the amount of loans, that each project required."

Eng. 'Atif Abu-Jabr added that there were other problems, especially in coordinating with public sector companies, "since many of our products were inspected by those companies. They welcomed them, provided that the industry's registry was available. The problem of the registry is that it is only possible to extract it a year after the workshop has become operational. Moreover, the cost of extracting the permit has gone up from 100 to 400 Egyptian pounds per year, because we own the shops. Where do we get this amount; we are just starting out."

Furthermore, small industry owners purchase raw materials from the black market, because they do not have an industrial registry permit.

As for the problem of training, this has led to the closure of 40 percent of the workshops and small industries, in view of the fact that most of the owners are graduates of universities and intermediate education. There is a need for training centers to qualify them to work in the field of small industries.

Finally, small industry owners stress the need to consider al-Hirafiyin City, and others like it, as an industrial city or as a satellite of reconstructed communities, in order to exempt it from taxes and to obtain customs easements.

Young graduates who own small industries stress that they prefer to work in these projects over sitting in government or public sector offices, and being a burden and dependent on the state budget, in addition to the income provided it by the small industrial projects, which they did not, and would not, be able to achieve through government work. They also emphasize that they have the ability to produce goods efficiently, which

compete with public sector products at lower prices. They only need sales outlets, as a link between them and consumers.

Small Industries Complex

After the many problems, surfaced by small industry owners in al-Hirafiyin City, AL-MUSAWWAR raised another question; Why did the first experiment in Egypt to establish a small industries complex in Tenth of Ramadan City fail? Why didn't small manufacturers accept it?

With respect to this question, Engineering Consultant Husayn Sabur, chairman of the Construction and Contractors Sector Committee of the Businessmen's Association, replied that he wanted to make it clear, at the outset, that the "concept of small industries is industry in the sense of the word industry, with all its difficulties and characteristics. There must be acceptable technology and trained management. The only differences between them and large industries are represented by the amount of production, number of workers, and amount of capital.

"Inasmuch as a small industry consumes considerable labor in proportion to capital expended, it therefore resembles countries with high population densities, which suffer from unemployment crises, but which enjoy cheap, trained manual labor."

In Eng. Husayn Sabur's opinion, the first problem of small industries in Egypt is to find an area in which to establish the industries. These industrial areas are totally different from the new industrial cities that have emerged in Egypt, such as Tenth of Ramadan City.

"Factories that can be established in the new cities are medium-sized and large plants. A company can purchase suitable land for the factory, and engage an engineer and contractor to build it, along with installing the machinery. However, those engaged in small industries are not able to do that. It is necessary to establish industrial zones especially planned for small industries, and designed for that purpose, with appropriate facilities for the establishment of this type of industry, so that the owner of the small industry can come in with his machine, and begin to work within a day or two.

"It should also be assumed that those zones be established near trained population centers, not in the new cities, to which their workers are still being bussed, because the additional expense of transporting the large work force considerably increases the final costs of the industry.

"As regards what happens in the industrial zones in the new cities, generally the designer resorts to designing and building them in the form of large and small rooms only, without considering any other standards. This is the real reason behind the lack of success of the zones with

respect to attracting small industries, in addition to putting the costs beyond the small industry owner's ability to pay."

Eng. Husayn Sabur explained that the Egyptian private sector is still convinced of the importance of small industries for the growth of the Egyptian economy, and to remedy the unemployment crisis. Therefore, it wants to participate effectively, in order to help remedy one of the problems, from which this sector suffers, without that competing with, or being contradictory to, the state's plans with respect to building large industrial cities.

Governors and Officials Refuse

"However, unfortunately, the state has not made it easy for the private sector, and has not permitted this activity. There are several examples of that. A group of investors approached certain governors in Giza, Alexandria, and al-Qalyubiyah, which are governorates with dense populations. They asked for approval to establish zones for small industries in those governorates. They only requested that suitable lands be allocated for that purpose, without any governorate bearing any of the costs. The result was negative.

"Then, the group of investors went to the Ministry of Industry and the GIB, requesting that their mission be facilitated, and that result was also negative.

"A third time, after the start of the Kuwaiti crisis, and the return of Egyptian workers, who remained in Egypt without jobs, the Businessmen's Association submitted a proposal to the Ministry of Industry, only asking that the ministry announce its agreement for the Businessmen's Association to endorse the project of creating zones specifically for small industries, without financing from the state. All of this was to no avail and, without any reason being expressed for this rejection, the result was negative for the third time!"

Al-Sabur added that "the importance of the issue of small industries, and of bringing it forward into a practical situation, would result in an outpouring of private and family savings from banks and from under the floor tiles, in order to establish these projects. In general, the small project's capital is a trifling amount, and there is no money to buy land or building. The preference is to rent, in order to use the capital to buy machinery and tools. Naturally, this is aside from providing easy loans for this sector.

"It is also well known that it is impossible for small depositors to learn about investment fields by themselves. Moreover, they are not inclined to participate with anyone, in order to achieve the principle of direct supervision over their investments. Three different quarters have roles in facilitating this mission. They are large plants that need sustaining industries, large plants that want to retail their products, and plants that have leftover byproducts for which studies must be prepared. In fact, there are more than 200 feasibility studies in this

field, available to small investors free of charge from the Manufacturers Association of Tenth of Ramadan City."

Bank Ceases Financing

In this regard, Dr. Hamdi 'Abd-al-'Azim, professor of economics in the al-Sadat Academy of Administrative Sciences, confirmed that small industries are suffering from insufficient financing and liquidity problems, in view of these projects' inability to borrow from commercial banks, in light of rising interest rates, especially after the state began to liberate interest rates, and the ensuing weakening of the ability of specialized banks to play an influential role in providing the necessary credit for small industries.

That is happening at the same time that no bank or financial institution is specializing in encouraging small industries, or offering the necessary credit and technical easements. This makes the situation of these projects more difficult than it was before.

Moreover, statistics pertaining to the IDB indicate that small industries only received 15 to 20 percent of the total amount of loans granted by the bank to various projects and individuals in recent years.

In this regard, AL-MUSAWWAR has learned that the main reason behind the IDB ceasing to grant loans to small industries was its desire to create a large company specializing in establishing small industrial zones, capitalized by three banks, the IDB, the Arab Land Mortgage Bank, and the Egyptian Land Mortgage Bank. This idea has been on paper for more than a year, but has not been implemented, despite the eagerness of the company's president, who is also the president of the IDB, and the company's vice president, to pay themselves their annual earnings for working in this company, amounting to 160,000 Egyptian pounds for the president, and 40,000 pounds for his deputy.

Concerning the technical problems from which small industries suffer, they are represented by poor basic industrial services, such as industrial security, quality control, uniform standards, industrial design, industrial reform, and maintenance. Dr. Hamdi 'Abd-al-'Azim referred to the fact that this is tied to the small projects' shortage of financial resources, aside from managerial problems. He emphasized that their importance centered on the training organizations' lack of concern with respect to providing the kind of appropriate training and vocational education required for the work in small industries. This has occurred at the same time that these businesses are unable to expend funds to train workers, technically and vocationally, which has had a negative impact on the economics of operating the projects.

He said that there are certain governmental policies that discourage small industries, such as setting compulsory prices for products of certain small projects, or putting maximum limits on their profits. The shoe and leather goods industry is an example.

Moreover, governmental law requires companies and organizations of the government, public sector, local government, and administrative bureaus in the government, to deal with large-sized public projects, and not to buy any products from the private sector. This results in affording small industries no opportunity to compete in the local market.

Dr. Hamdi 'Abd-al-'Azim added: "The total number of small industrial facilities in Egypt in 1987, according to the latest available statistics, was 4,146 projects, representing 69.3 percent of the total number of industrial facilities, and containing 123,000 workers, or 13.4 percent of the total Egyptian labor force. Production was valued at 853.9 million Egyptian pounds, representing 9 percent of the national product. As for added value of the small industries, it amounted to 248 million Egyptian pounds, 5.5 percent of the total added value in Egypt.

Small Industries and Unemployment

Regarding the role of small industries, their contribution to local production, and their absorption of the idle work force, Dr. Muhammad 'Abd-al-Fattah Manji, deputy chief of the GIB, says:

"The importance of the merits of small industries is that they are an effective means of geographic industrial dispersion, and of creating competition between production units. They are also able to adapt in accordance with market needs, along with affording a great opportunity for workers with beginning skill levels, at a lower capital cost."

With respect to the role of small industries in increasing productivity, Dr. Manji stressed that the Egyptian industrial sector's share was 17.3 percent of total local production. "In view of what is happening to increase the industrial sector's contribution to total local production, with a resulting improvement in levels of the work force's income, it is important to support and develop the small industrial sector, because that is the best way to maximize production, with an investment of a specific amount of capital.

"The number employed in the national economy will total 15 million by the end of the present 5-year plan, 1987-92. The percentage of workers employed in the industrial sector is only 15.8 percent of the total work force. The decrease of workers in this sector is attributable to officials concentrating on the large industrial sector, in which it is difficult to absorb a large work force. On the contrary, this sector is suffering from veiled unemployment in many of its units.

"In addition, there is an inability to absorb that unemployment through operating multi-shifts, because of the inappropriateness of that in terms of market economics and the social system. Therefore, all previous considerations confirm that the sole alternative is to encourage small industries. This method succeeded in Damietta, which has become a center for furniture, leather, and

dairy products. Asyut has also become a center for al-Asyuti furniture, and rugs and carpets.

Small Industry Craftsmen Are Committed

AL-MUSAWWAR tried to arrange more than one interview with those responsible for developing the small industrial sector. We began with the IDB, which is primarily responsible for supporting the owners of small industries, but the bank president refused to talk, on grounds that he was very busy. He said he would arrange to contact AL-MUSAWWAR when he found time for that.

We did meet with other financing quarters and, in fact, we met with Husayn 'Anan, head of the Small Industries Association for Development of Small Industry Craftsmen who, at the outset, stressed that "small industries are the sustaining and complementary foundations for large industries in every country of the world. They generate expertise, from which big industries benefit. Despite the presence of small industries and professionals in Egypt, this sector has been undernourished in its growth stages for two reasons. First, the children of technicians have been going into non-technical education and, consequently, there was no one to inherit that industry. The second reason is the shortage of financing required for expansion and continuity in this sector, in response to technological and vocational developments. Today, support for these industries will occur when the children of craftsmen go into technical education, and become technicians with us, specializing in this field.

"The government has in fact begun to conclude a number of contracts with various foreign and Arab countries to make the necessary financing available to owners of small industries. Within the scope of these agreements, the Association of Small Industries for Development of Small Industry Craftsmen was established, with the signing of an agreement between the Ministry of International Cooperation and the American AID Agency, which includes a \$20 million grant for small industries, with half of this sum going to each of the small industries associations in Cairo and Alexandria, provided that their activities are subject to the control of the agencies concerned in Egypt.

"The purpose of this association is to offer loans, with a maximum limit of 10,000 Egyptian pounds per individual, to be repaid over a maximum period of 12 months. The association receives no interest on this loan, but it does receive 1.25 percent per month to cover costs and administrative expenses. If the cost is high at the beginning, in view of the low number of borrowers, it may be possible to reduce it when the base of beneficiaries expands."

Husayn 'Anan added: "The first stage of the project is earmarked to offer financing to small industry owners to purchase raw materials needed for the production process, without any collateral from the project, inasmuch

as there is only a contract signed between the association and the project owner, without any material or real estate collateral required".

The first phase was marked by a high percentage of loan repayments, amounting to 99 percent of the total 1.5 million Egyptian pounds obtained by 400 small manufacturers in the districts of al-Jamaliyah and Fam al-Khalij, and al-Hirafiyin City in the city of al-Salam and Giza.

Association representatives follow up the use of the loan with respect to purchasing production requirements and raw materials. These loans have also resulted in increasing job opportunities by approximately 80 new jobs.

It was decided to raise the amount of the loans offered by the association in the second stage, to begin in January 1992, to 50,000 Egyptian pounds per person, to finance the purchase of capital equipment and machinery required for expansion in the small industry.

Accordingly, the third stage will be dedicated to offering technical services for small industries, through the establishment of a training center, in addition to providing a center for information and assistance in marketing products in local and foreign markets.

Husayn 'Anan emphasized that the small industries project has achieved significant success, in view of offering loans without collateral, in contrast to banks, which require high interest and considerable collateral, which the owner of a small industry cannot provide, aside from his fear of taxes and social insurance.

Agreements with America

In this regard, Dr. Hasan Salim, first undersecretary of the Ministry of International Cooperation for cooperation with America, stated that another loan was obtained from the American AID Agency, within the framework of an agreement signed between Egypt and America, valued at \$60 million, earmarked for the small industry sector in Egypt. In accordance with this agreement, the Daman Mukhatir al-A'tman Company was established. This is an Egyptian stock company, in which the National Bank, the Bank of Cairo and Alexandria, the IDB, Egypt, Iran for Arab Investment, the Suez Canal, the International Arab Banking Company, the International Credit Bank, and the Al-Sharq Insurance Company all participate. The company offers to guarantee 50 percent of the bank credit granted by the banks to the small project. The minimum limit of the guarantee for loans and easements granted by the bank to the facility is 25,000 Egyptian pounds, while the maximum is 350,000 pounds.

This means that the small project can borrow within the limits of 500,000 to 700,000 Egyptian pounds, and earmark the loan to buy materials and production requirements coming from America within the private sector's commodities import program.

In the event the borrower defaults on the loan, the Daman Mukhatir al-A'tman Company will repay 50 percent of the loan's value to the bank, without the client being obligated to anything.

In this stage, it was decided that the company would offer its insurance services to young doctors, medical centers, and chemical analyses laboratories, so that they could import the high-tech equipment and technical materials required, provided that the next stage be devoted to young engineers.

Dr. Hasan Salim added that it was also decided to sign another agreement with America to grant a loan to the National Development Bank to provide credit for small projects. The first payment of the loan amounts to \$10 million, and will be paid before the end of America's fiscal year in October 1991.

Shortage of Financing, No Rush for Loans

With regard to the economic importance of small industries to the Egyptian economy, businessman Eng. Majdi Khalifah says that a number of advanced and developing countries have recently begun to subsidize the small industry sector, because of the considerable importance it represents to the national economy. For example, small industry exports in a developing country such as Korea, represent about 35 percent of its total exports. This is the result of policies that these nations have applied to assist this sector, by employing a cooperative system in production and marketing stages, offering credit easements at low interest rates, and establishing a special agency to look after small industries in their various aspects.

He added that despite the multiplicity of governmental and private agencies in Egypt, calling for subsidies to the small industry sector, there is no doubt that the main reason behind the lack of success for those efforts is the shortage of financing required to support small industries.

Eng. Khalifah added that despite the maximum importance that the IDB enjoys, for the purpose of encouraging small industries, and while it distributes the bank's credit ventures in order to expand the industrial base, and effectively shares in resolving the unemployment crisis, employing foreign loans made available to it for this purpose from European nations and America, "I am still astonished and unaware of the reason—the words are Eng. Majdi Khalifah's—behind the lack of applying for this bank's loans. Is it because of high interest rates, or because of the considerable collateral that the bank requests of newly graduated young people?"

The important thing is that there is in fact many separate efforts being made that must be combined under the umbrella of a single agency, which can implement the directives of the political leadership to encourage this sector, in order to remedy the unemployment problem in Egypt.

Absence of Skilled Work Force

In light of the education policies in Egypt, and the huge number of graduates that are churned out annually from various theoretical and practical colleges, along with the labor forces backing away from the commitment to appoint graduates, and in light of the decline of the technical education sector's role in implementing the present development program, in view of the shortfall in providing technical cadres in accordance with the needs of the local market, because of its insufficient resources, it is natural that the ranks of the unemployed are steadily increasing, both of graduates from higher and intermediate education, and even from technical schools. What is the solution?

In this regard, Dr. Husayn Bashir, of the National Center for Educational Research, makes it clear that, despite the technical efforts expended through the Ministry of Education to graduate batches on a level that would be suitable for the requirements of the development plans, the actual situation confirms that there is still a shortage of skilled labor required for the local market's needs. This is attributable to weak liaison between technical education and the production centers, which deprives technical education of the capability to qualify its graduates to perform the production jobs with the required skills.

As Dr. Nadir al-Farjani, of the Central Agency for General Mobilization and Statistics, stated, "The importance of that becomes clear, if we know that half of the labor force in the labor market have higher and intermediate education, are less than 35 years old, and want to leave clerical jobs and pursue manual labor at higher pay. Most of them also express the wish to receive vocational training, which would help to achieve their goal of improving their standard of living."

The question that arises here is: Is there still low esteem for manual labor in Egyptian society, despite the social and cultural changes?

An official in the Ministry of Manpower points out that inherited ideas regarding a lower value on manual labor are still clearly held by Egyptian families. Signs of that are clear in light of the social esteem for clerical work, apart from the gratis education. This has led to a clear surplus of higher and intermediate graduates in the technical and professional work force.

If the theoretical situation confirms this, the actual situation has begun to demonstrate clear signs that that trend is reversing. Evidence for that comes from the experiences of young graduates of universities and higher institutes in al-Hirafiyin City, where the graduate has begun to compare sitting at home, and being unemployed, with being the owner of a small industry and, perhaps, a businessman in the future.

Moreover, statistics indicate that the number of unemployed educated persons totals 89.2 percent of total

unemployed persons who have not previously held a job. They number 2 million persons, and they demand work soon.

Bank Official on Interest Rates, Investment

91AA0538A London AL-SHARQ AL-AWSAT in Arabic
16 Jul 91 p 12

[Article by Mustafa 'Abd-al-'Al: "Egyptian Banks Union Chairman to AL-SHARQ AL-AWSAT: Tendency to Develop Securities Market and to Offer New Instruments; Permitting Banks to Engage in Proxy Activities on Behalf of Investors"]

[Text] Mahmud 'Abd-al-'Aziz, chairman of the Banks Union and vice-president of the Egyptian National Bank, has asserted that the gradual elevation of interest rates will encourage saving and contribute to reducing the inflation rate this year. He pointed out that the economic liberalization policy has been directed along three main axes, namely: Freeing the interest rate, freeing the exchange rate, and developing the securities market. Accordingly, the Banks Union embarked on a quiet and gradual elevation of the interest rates as of last January until the short-term interest rate (three-month rate) reached 17 percent. The union left it to the individual banks to determine their credit interest rates. The rate prior to last January was 7.5 percent.

Mahmud 'Abd-al-'Aziz said that in light of studies "we have found that a leap may harm investment and that a calm and gradual rise in the interest rates may lead to achieving some sort of balance between saving and investment. At the same time, burdens resulting from the interest rate will be shifted to the borrowing sectors gradually for fear of overburdening them, especially since the borrowing sectors have become accustomed to the presence of the subsidized interest rate. They have also become accustomed to in-kind subsidies, considering that some specialized sectors got soft-term interest rates. But now, no distinction is made between the sectors by virtue of unification of the pound's exchange rates."

The Banks Union chairman added: All this has given us an educational role and we have appealed to the borrowing sides to streamline their unproductive spending, to raise their productivity, and to embark on well-studied expansion in order to increase their intrinsic resources and rely on these resources in financing projects so as to reduce their total reliance on banks.

'Abd-al-'Aziz noted that all this has been coupled with freeing the exchange rates—a process which was accompanied by fears of a rise in foreign currency exchange rates. But these fears disappeared gradually when the market stabilized. For the first time in Egypt's history and for a period of 45 days, foreign currency exchange rates have been falling vis-a-vis the pound, the difference between the exchange rates offered by banks and those offered outside the banks has become very small, and the phenomenon of retaining dollars has vanished. The

interest rate paid for the dollar is currently estimated at 5.5 percent whereas the interest rate paid for the Egyptian pound is estimated at 18 percent. This is why savings in Egyptian pounds have increased and savings in dollars have decreased.

Mahmud 'Abd-al-'Aziz also said: There is a third sector that is very important and very serious and that will be touched by the economic reform, namely the securities market which is of interest to the Egyptian and Arab investor. It is well-known that the Cairo bourse is the first Middle East bourse. But because of the flawed economic conditions, this bourse has weakened and shrunk in size, and so have the company stocks registered in it. These stocks are not actively traded either because the companies are successful and their stock ownership is confined to their owners or because they are companies that are experiencing problems. Consequently, their stocks are traded on a small scale.

He added: In the current phase, the banks union seeks to promote investment in Egypt and to develop the securities market so as to create a balance between saving and investment by exempting these instruments from taxes—keeping in mind that what is intended by the securities market is the market dealing in bonds, stocks, and other financial instruments—so that banks would not be the sole source for financing projects. We have proceeded to offer bonds with a changeable yield and we have encouraged companies to offer such bonds for subscription by the public, helping them to conduct studies on these bonds, to advertise them, and to promote subscription to them. We have even guaranteed them to the public.

We have also obtained a flexible positive interpretation from the Tax Authority on this issue, considering that the yield of these bonds is exempted from taxes to the average limit by which the yield of treasury bonds is exempted from taxes. This is a good tendency. For example, the yield currently exempted from taxes amounts to nearly 19 percent. This exemption will continue until a legislative amendment is issued exempting bonds in their entirety from taxes.

'Abd-al-'Aziz also said: Under the umbrella of the policy of promoting investment, we have submitted the idea of financing owners of securities and those wishing to buy new securities or to finance projects (when allocations are made?). The idea of letting banks sell their portfolios in successful companies has also been presented so that banks could avail themselves of a surplus for investment in other projects.

On this basis, under the umbrella of the stable economic and political climate, and in light of liberation of the exchange rate, it is expected that there will be a leap in investment because the foreign investor feels reassured under such conditions. He can bring in his money at a free exchange rate and, simultaneously, he can take his money out from a free market in accordance with the

economic reform rules. This assures the investor, especially the Arab investor, that there are no strong, fabricated, or imaginary fluctuations in the exchange rates.

Chairman of the Union of Egyptian Banks added: The union also seeks to have the banks perform the role of agents of investors and to complete the procedures required in Egypt for founding companies, for founders, and for feasibility studies. This is in addition to their role in financing and participating and in providing consultations on the economic climate and explaining the negatives and positives of every sector so as to create a good background for economic reform. Added to this is the decision on the confidentiality of accounts, which is something that investors have demanded for a long time in enactment of the European laws in this regard.

Concluding, Mahmud 'Abd-al-'Aziz noted that under the umbrella of the reform policies and on the basis of the principle of opening the door of investment to all, there is a tendency to open all spheres of investment to investors and to abolish the special approvals. The rule for investment in agriculture, in land reclamation, and in other areas has been to acquire special approvals. But the rule in such matters should be to permit whoever wishes to invest in Egypt to do so, with the exception of three or four areas in which the decision maker has deemed it necessary to acquire approval due to national, security, or military considerations.

Effect of Prices on Banks, Depositors Examined

91AA0493B London AL-SHARQ AL-AWSAT in Arabic
23 Jun 91 p 10

[Article by Sahar Fawzi: "Increased Withdrawals of Small Deposits From Egyptian Banks in Light of Price Rises, Low-Income Individuals Turn to Social Loans"]

[Text] Cairo (AL-SHARQ AL-AWSAT Bureau)—Deposit and withdrawal activity in Egyptian banks has recently been affected by the constant rise in basic commodity prices and the arrival of the summer, the pilgrimage, and the holiday and wedding season. Increased withdrawals of small deposits have been recorded, as small savers withdraw from their balances to cover their needs. There has also been a 45 percent increase in the demand for social loans, despite their small value.

Ibrahim Mur'i, general director of social loans at Nasir Social Bank, said, "There has recently been a 45 percent increase in the demand for social loans in view of the economic condition that workers are facing, rising costs of medicines and treatment, and increased expenses for marriage and education." He added, "Since it is the custom to hold weddings in the summer, the demand for wedding loans has increased in recent days."

He explained that the value of wedding loans ranges from 500 to 1,800 pounds. Government employees and pensioners are the main groups that seek loans. There has also been increased demand for nonrepayable aid,

particularly by university students, because of the constant rise in the price of books and texts. In addition, there is an increased demand for emergency benefits to groups unable to work.

Ibrahim Mur'i expects the demand for loans, aid, and benefits to increase in the coming period due to the recent issuance of economic decisions that will cause prices to rise.

The bank is therefore currently studying an increase in the value and number of loans the social responsibility sector grants, to keep pace with the constant rise in prices and the increased demand for loans.

Deposit and withdrawal activity in Egyptian banks has also been affected by the price rises and recent economic decisions.

Mr. 'Abd-al-Bari, director of a branch of Cairo Bank, stated that deposits and withdrawal differ from customer to customer depending on the customer's needs and income. In the banks, we are used to the fact that withdrawals from accounts increase during holidays and festivals due to the obligations such periods require, such as expenses for weddings, tuition, holiday clothing, and the pilgrimage.

Withdrawals this year were greater than in past years because of constant price rises and recent economic decisions. Also, the rate of remittances from overseas workers dropped because of the Gulf war and the problem of claims of returnees from Kuwait and Iraq. Mr. 'Abd-al-Bari expects these remittances to increase in the coming period with vacations and the stabilization of conditions in the Gulf.

Muhammad Farid, a bank head, said that the rise in interest rates on deposits shows increased bank activity. He indicated that customers prefer to place their money as fixed-rate deposits in order to use its yield to deal with the constant price rises. Recently, depositors have preferred to make deposits in Egyptian pounds, rather than in dollars, because of the rise in the interest rate on deposits in pounds. Furthermore, in light of recent economic decisions, the dollar is no longer fixed in value, and its value is tending to fall in relation to the pound.

Muhammad Farid added that small depositors were the ones who withdraw most at holidays and festivals, since their income is low in comparison to that of large depositors. Withdrawals have recently increased to deal with the unexpected price increase that accompanied the pilgrimage and festival season. Some low-income individuals have turned to withdrawing from their balances to deal with the unexpected rise in prices.

Dr. Hamdi Ridwan, professor of economics at 'Ayn Shams University, believes that to deal with the phenomenon of withdrawing from accounts to cover needs caused by unexpected price rises, saving must be encouraged by increasing interest rates in the coming period.

New kinds of small savings accounts must be created, for example at the 100 pound bracket, at special interest rates, so as to be suitable for low-income individuals and government employees.

Article Analyzes Budget's Effect on Citizens

91AA0494A Cairo AL-AHALI in Arabic 26 Jun 91 p 3

[Article by Abu-al-Ma'ati al-Sandubi: "One and a Half Billion Pounds in Subsidies to Government from the Public Sector, Workers, and Employees. Annual Per Capita Share of Health, social, and Religious Services is 3.5 Pounds"]

[Text] Believe it or Not! The beleaguered public sector—its economic units, workers, and employees—is the largest single source of annual subsidies to shore up government revenues and help cover the budget deficit. The 1991/92 budget reveals that subsidies to the government from that source amount to no less than 11.5 billion pounds. And yet, the government of Dr. 'Atif Sidki seeks a speedy passage of its plan for gradual liquidation of the public sector's most valuable companies and producing units. The government complains of burdensome subsidies to those with limited incomes when sales tax receipts alone exceed aggregate subsidies by 1.439 billion pounds.

The new state budget anticipates 5,959 million pounds in indirect tax revenues in 1991/92, such as from the sales tax. This is an increase of 41 percent over the previous year and outpaces inflation by 19 percent.

By contrast, the budget stipulates 4,520 million pounds in aggregate subsidies, including subsidies to the rich. This means that the sales tax alone fully covers all subsidies in addition to 1,439 million pounds in aggregate allocations for wages and current expenses—amounting in 297 million pounds—for health, social, and religious services as well as the education and information sectors [as published]. The result is that the government, having funded all those allocations, will have a surplus of no less than 142 million pounds.

Food subsidies under the budget amount to 3,304 million pounds and account for 55.4 percent of total sales tax receipts.

Budget figures also show that worker social security receives 821 million pounds in government subsidies. The government, however, overlooks the fact that workers contribute a total of 29 million dollars in social security levies which the government borrows from the Social Security administration at interest rates of mere 8 percent when the cheapest going bank rate is 20 percent. The interest rate disparity means that government receives 348 million pounds in annual subsidies from public and private sector workers and government employees.

In addition to 1,150 million pounds in subsidies from the public sector, viable organizations such as the Suez

Canal and the Petroleum authorities contribute surpluses amounting to 5,870.8 million pounds. The government, in effect, receives some 11,508 billion pounds in aggregate annual subsidies from workers and employees, from economic units, and from the public sector.

It is really disturbing that the government is presently advancing a public business sector [sic] bill that targets the sale of public sector companies and producing units to investors who enjoy considerable tax benefits and who are exempt from contributing to government revenues.

The budget shows a 16 percent rise in aggregate wage and salary allocations for some 3.5 million employees in the administration, local governments, and service agencies. Let us put aside the fact that this increase lags behind the rate of inflation, officially pegged at 22 percent, and that wages in the health, social, and religious services sector have risen by only 12.9 percent, trailing inflation by 10 percent. By contrast, wages in the presidential services sector jumped by 126 percent to 293.2 million pounds from 129.6 million pounds last year. The presidential services sector includes employees of the presidency, the Ministry of Foreign Affairs, the Consultative Council, and other agencies. This disparity in wages is proof that the government strives to raise the salaries of select employees directly in its service.

The budget numbers game goes beyond wages to current expense. Current expense allocations dropped for the health social, and religious services sector and for the sectors of education, research, youth, culture, and information. The health, social, and religious services sector, for example, has an allocation of only 297.3 million pounds.

This means that the per capita share of health services, old age benefits, and assistance against poverty and religious extremism amounts to only 5.405 pounds a year or 45 piasters a month.

Such pittance, however, is extravagance compared with current expenditures for culture and information which receives 87.8 million pounds under the 1991-92 budget. That would be 1.596 pounds per capital per year or 13 piasters a month per citizen to educate and inform!

The tragedy of the education, research, and youth sector comes under a different heading! Even though wages in that sector get the lion's share—40.8 percent of total wage allocations in the new budget—its current expenses to facilitate the educational process are budgeted disproportionately low at 2.9 percent of total current expense allocations. Those are operational funds needed for such tools as books, classroom aids, athletic fields for youth centers, laboratory supplies, etc.

By contrast, current expense allocations for the defense, security amount to 3,944.9 million pounds.

The 1991/92 budget reduces allocations for local government investments by 17.1 million pounds or 14.7 percent but boosts investment allocations by 15.5 percent for security, defense, and justice.

Total allocations for investments in health, social, and religious services are pegged at 191.1 million pounds or 3.47 pounds per capita to fund needed new hospitals, expand existing hospitals, and erect additional youth centers.

In general, aggregate budgetary allocations for investment in all sectors increased by 11.7 percent from last year while the rate of inflation has risen by 22 percent, according to a statement by the prime minister in the People's Assembly. Investment allocations therefore declined by 10.3 percent from last year in real terms. The 1991/92 budget is in effect a contraction that is bound to aggravate recession and unemployment.

Government Reportedly Changes Bread Pricing

Introducing New Bread

91P40385A Cairo AL-AHALI in Arabic 17 Jul 91 p 1

[Text] The Ministry of Supply is considering offering a new type of bread called "high nutrition" for 10 piastres this September. The current five-piastre bread will continue to be produced, in preparation for phasing it out gradually. It will disappear from the markets at the beginning of next year.

Bakers To Set Own Prices

91P40385B Cairo ROSE AL-YUSUF in Arabic 8 Jul 91 p 12

[Text] The Ministry of Supply has decided to dedicate a number of Cairo bakeries to producing a new type of "baladi" bread weighing 80 grams and letting the bakery owners set its price. If the experiment is successful, it will be expanded.

Islamic Charity Group Head on Gulf, Government Donations

91AA0475B Cairo AL-NUR in Arabic 19 Jun 91 p 5

[Interview with Tawfiq Isma'il al-Sharif, the general director of the World Islamic Missionary Activity and Aid Council [WIMAAC], by 'Abd-al-Sabur Fadil and Mahmud al-Khawli; first paragraph is AL-NUR introduction; place and date not given]

[Excerpts] [passage omitted]

AL-NUR is pleased to interview the general director of the World Islamic Missionary Activity and Aid Council [WIMAAC], Tawfiq Isma'il al-Sharif. Born in northern Sinai, he graduated from 'Ayn Shams University School of Agriculture in 1955, worked in different agricultural fields, and undertook numerous studies. He served as the deputy of the governorate of North Sinai in the National

Assembly [as published]. He then worked in the Arab League as a publications monitor. After the League relocated to Tunisia, he worked as an information expert in the Qatari embassy. Recently, after the establishment of the WIMAAC, he was appointed as its general director.

[AL-NUR] The WIMAAC is a step on the road toward spreading the Islamic call in different parts of Africa and shedding greater light on Islam's teachings. What are the council's most important accomplishments?

[Al-Sharif] The WIMAAC was established to coordinate among the international Islamic organizations that perform aid and missionary activities and to oppose campaigns against Islam. These organizations have a long history stretching back more than a decade. They have enormous capabilities to promote missionary work. Given that their efforts might be excessive in one area and weak in another area, or that their activities are sometimes at odds with one another, these organizations deemed it appropriate to establish a supreme organization to coordinate between them. The WIMAAC thus came about. It coordinates between the different organizations, so that they can focus on missionary work and aid based on a defined program, without neglect or excess. Also, these organizations are spread throughout the Arab world and are present everywhere. They are spread throughout Africa and have offices in Europe and Asia. [passage omitted]

The Funds of Muslims

[AL-NUR] You spoke of mismanagement and the misdirecting of funds contributed by Islamic governments. Could you please shed more light on this point?

[Al-Sharif] Yes, you might be amazed by this statement, but let me state frankly that a high percentage of the humanitarian aid given by Islamic governments goes to non-Islamic organizations, while we try to collect from several charitable financial organizations, banks, partnerships, or from other investments. In other words, a large percentage of this aid is disbursed to non-deserving, non-Islamic organizations, such as the Red Cross or the United Nations High Commission on Refugees, or it is given to organizations and bodies concerned with human rights and the rights of children through the United Nations rather than Islamic organizations. Therefore, we call for the disbursement of aid given by Islamic governments and parties through Islamic channels rather than non-Islamic organizations. This is a political decision of the first degree.

A Popular Organization

[AL-NUR] This compels us to ask another question. Does the council have legal legitimacy in calling on different governments to direct these funds to Islamic sources?

[Al-Sharif] Unfortunately, the WIMAAC is a popular organization that has been in existence for only three

years. It does not have control over the allocation of governmental aid, which is subject to political considerations. However, we have succeeded, thank God, in efforts to coordinate between us and the Islamic Conference Organization [ICO], which is a political organization that brings together all of the Islamic governments. Through the ICO, we can participate in channeling Islamic humanitarian aid so that it is disbursed through the Islamic societies in an attempt to direct it to the desired target. However, we lack political decision-making power. Another reason for mismanagement, lack of financing, and misdirecting of this financing is that we lack ministers designated for foreign aid. Such ministers can be found in some Western governments. Also, charity is not being properly directed, because the charity funds make independent decisions in the absence of planning or organization. There is a definite trend in the council toward establishing an international charity federation to collect and disburse these funds properly. We are also obtaining a fatwa [formal legal opinion] for the charity banks regarding the development of Islamic societies.

The War and Aid

[AL-NUR] Has the Gulf war affected aid given by the different Islamic organizations and bodies?

[Al-Sharif] Of course. The effect has been in two areas. First, the approximately nine international charitable organizations active in Kuwait have stopped operating.

Second, other organizations, which continued to operate, were affected directly by the crisis, such as those in the other Gulf countries and Saudi Arabia, which turned to problems at home. Thus, financing for aid activities weakened. In addition, the divergence of political positions on this crisis had a major effect on our work. We attempted to enter Iraq during the crisis and encountered extreme difficulty. However, we were able to save several families after we had entered Iraq illegally. These families were subjected to starvation. The council also provided money and water to convoys wandering in the desert. However, that was very risky for the council.

However, we did not encounter any difficulty in playing a positive role in Jordan in cooperation with international Islamic organizations. If our role is minor relative to that of Western, Christian organizations, it is because they have greater capabilities and backing from their governments. There was also difficulty in providing aid in Turkey. However, in Iran, we found great facilities. We established camps and shelters for refugees. We played an organized role that was coordinated with different Islamic organizations.

The council played a major role in assisting the Kurds in Iraq through Turkey. We are now attempting to open the field to provide aid in a better manner to the Kurds. The custodian of the two holy places [King Fahd of Saudi Arabia] contributed \$600 million for Islamic aid activity for the Kurds. The council also played a major role in the

use of these funds. His excellency also contributed \$400 million to Bangladesh. These activities are in addition to our [maintenance of a] reserve and cooperation with other international Islamic organizations.

The Council and Reconciliation

[AL-NUR] Does the WIMAAC have a role in healing the Arab rift after the Gulf crisis?

[Al-Sharif] The council plays a planning and coordinating role among its organizations. After the Gulf crisis occurred, the council was the first Islamic organization to call on Saddam Husayn to withdraw from Kuwait. However, events outdistanced the advice, and the unexpected occurred. The general secretary held numerous direct and indirect contacts to redress outstanding matters between the two parties based on Iraq's withdrawal from Kuwait. However, at present, the council has a philosophy of not engaging in political intervention. Although there is a proposal to form a large delegation of Muslim clerics to address the negative effects of the storm that has afflicted the Islamic world. We will not forget the efforts being undertaken by Egypt and President Mubarak to overcome the crisis, nor the meetings of the Arab League, which have paved the way for these delegations to play a positive role in the near future, God willing, because our role is preparatory to any governmental initiative. We are now attempting, through popular Islamic activities, represented by the Islamic delegations, to visit different Islamic peoples in Kuwait, Jordan, Yemen, Iraq, and Saudi Arabia to eliminate the psychological residue of this crisis. We expect these organizations to achieve great success. The last meeting of the Arab League clarified the Arab world's need for unity.

The Council and Missionary Work

[AL-NUR] If we have dwelt on the council's role in the area of aid, what is its role in missionary work?

[Al-Sharif] We have encountered a major problem, which is that missionaries are being sent from more than one Islamic center, and they carry with them sectarian differences. If there are two missionaries from different schools performing missionary work in the same place, the call to Islam is affected negatively, because Islam appears through these missionaries as if it were two different parts. Therefore, we have a project to establish two centers for missionaries in Cairo and in venerated Mecca. Specific programs will be established in each of these two centers. Before a missionary is sent to a specific area, he must first become familiar with its circumstances and history, and he must stay away from sectarian differences as much as possible, so that Islam does not appear as if it is torn. Also, we are currently engaged in unifying the thought, course, and missionary method, and neutralizing sectarian differences among missionaries.

Specific qualifications for scholarships provided by the honorable al-Azhar University have been established.

Among the qualifications is that the beneficiary of the scholarship engage in missionary work after his graduation. There are also numerous efforts to consolidate scholarships granted by members of the council, including the Federation of Maghrebi Universities, honorable al-Azhar, and other academic sources that are members in the council. All of this aims to prepare highly enlightened Islamic missionaries.

Minister, Others Discuss Future Irrigation Plans

91AA0493A Cairo AL-JUMHURIYAH in Arabic
27 Jun 91 p 4

[Article by Badawi Mahmud: "We Need 12 Billion Pounds To Change Irrigation Systems"]

[Excerpts] [passage omitted] Although only God knows how the coming years will be, it is certain that the yearly per capita allotment of Nile water is steadily decreasing. According to figures of the National Production Council, the 1970 allotment for each of us was approximately 1,652 cubic meters. In 1989, it dropped by 37 percent to 1,047 cubic meters. Experts estimate that this drop will reach 50 percent in the year 2000 and that the yearly per capita allotment will not exceed 850 cubic meters.

Irrigation Consumes Most Water

[passage omitted] Statistics of the agencies responsible for irrigation show that agriculture still consumes about 50 billion cubic meters a year, or 85 percent of Egypt's share of Nile water. Ninety-seven percent of the agricultural land area depends on the Nile for its irrigation. Other water sources, such as rain and ground water, account for only 3 percent.

Statistics also show that agricultural land in Upper Egypt and the Delta is 100 percent dependent on Nile water. In other words, the Nile supports crops on 6 million feddans for us. Eighty-eight percent of this area is irrigated by surface irrigation (flooding), 7 percent by drainage water, and 5 percent by ground water.

Don't Tamper With the Old!

The consumption rate for a single feddan irrigated by flooding is still 8,000 to 9,000 cubic meters of water a year—one of the highest rates in the world. Nevertheless, "it is difficult for farmers to change their old methods of irrigation. In the end, they will have to pay the cost of any improvement to these methods, while they are burdened by constantly rising expenses for agricultural production." This was the opinion of Hajj Muhriz Bayyumi, who owns a 15-feddan citrus farm in Dandanah village in the district of Tukh, Qalyubiyah.

He added: "We used to suffer in the past from irregular irrigation cycles and water shortages, especially in the summer. However, we have dug 15 artesian wells in the village to satisfy our needs. This year irrigation is orderly. I don't think any farmer is getting more water than he needs. The quotas for each cultivated area are

well known; no one is trying to flood his crop. As long as farmers are confident that water will be regularly available, they will use it only as needed.

"We learned the present irrigation system from the days of our grandfathers and great-grandfathers. Any tampering with this way could impair the productivity of the soil. No matter what the agricultural guidance engineer says, farmers trust only the results they see and what they know from experience."

This is the problem. Farmers learned and practiced the traditional irrigation system at a time when water was abundant and the expanse of agricultural land limited—according to Agricultural Engineer Sha'ir 'Atiyah at Qaha in Qalyubiyah.

Horizontal expansion of agricultural land to fill the gap between production and consumption has now become a life-and-death issue, because the per capita share of agricultural land has been decreasing constantly—from 0.22 feddan in 1960, to about 0.13 feddan now. [passage omitted]

Furthermore, the system of flood irrigation has led to a rise in the water table, salting of the soil surface in many areas of the Delta (particularly because the life-expectancy of the covered drainage system ended 10 years ago), and accumulations of water in the upper soil layers. Some farmers have been forced to dig wells in their fields to draw off drainage water from them. [passage omitted]

We have been experimenting for some time with spray and drip irrigation as part of the agricultural production and credit project in Qaha. The experiment has been completely successful, with a two-thirds saving in water usage, despite everything that was said to cast doubt on the feasibility of using modern irrigation methods on old, muddy soil.

Importance of Method Choice

Modern irrigation works with all crops and fruits, even sugar cane, bananas, and other plants that need large quantities of water. Rice, which needs water constantly, is an exception—according to Agricultural Engineer Hamid 'Abd-al-Hamid, general director of crops at North Tahrir Company. The important thing, he said, is to choose the appropriate means of irrigation.

Irrigation with nozzles, drop sprayers, or other devices whose spray covers large areas is used for crops whose seeds are scattered in large quantities, such as wheat, clover, corn, and sunflowers.

About 15 km west of kilometer 82 on the Cairo-Alexandria Desert Highway is the 5,000-feddan Young Graduates' Project. The Ministry of Agriculture and Land Reclamation distributed it in 1987 to 400 graduates of agricultural and commercial institutes.

At al-Shaja'ah village, Sabir Ibrahim and Zakariya Matrawi told me that movable spray irrigation is the best

system for this sandy desert soil. Pipelines extend underground from three stations that pump water coming from the main branch of the Nasir Project. Every five feddans a branch emerges from the pipe with a tap. The water flows through hoses to the nozzles that distribute it over an area of half a feddan. In this way, not one centimeter of ground is used to dig irrigation channels.

Although the drainage project has not yet been implemented and the newly reclaimed ground needs more fertilizer to raise its productivity, we are growing wheat, tomatoes, common medick, peas, and peanuts. Traditional irrigation is no good for this land because it affects the soil grains and leads to their clumping together, so that they kill the plant.

We have a problem of fluctuating water pressure, which leads to plants dropping flowers. Sometimes the water pumping stations stop for two or three days because of power outages.

One of the main disadvantages of spray irrigation is that we cannot grow crops more than a meter tall, such as corn and sunflowers. Moving the hoses from place to place disturbs the plants, and any stalk that breaks does not right itself again.

Who Pays for Change?

According to Agricultural Engineer Muhammad Burhan, head of the agriculture department of North Tahrir Company, there are other economic problems. The cost of converting a single feddan from surface to improved irrigation is between 1,500 and 2,000 pounds—the cost of the hoses and drip-feeders or sprayers used, in addition to the pressure pumps in the pipelines. There is also the expense of building extra electrical stations to power the irrigation pumps.

At current prices, a single feddan could consume electricity costing about 200 pounds. This is a new burden for farmers and would require them to reconsider which crops they grow. Of course, they would recoup all their expenses over a period, because the land's productivity would increase by at least 50 percent.

In any case, the investments required for converting 6 million feddans in the old valley to modern irrigation are about 12 billion pounds, not including the government-borne cost of electrical power plants. [passage omitted]

Union Leader on Domestic, Expatriate Labor Reform

91AA0428A Cairo AKHIR SA'AH in Arabic
29 May 91 pp 18-19

[Interview with Ahmad al-'Amawi, Chairman of General Federation of Egyptian Workers, by Diya' 'Abd-al-Hamid; place and date not given: "Workers Federation Chairman to AKHIR SA'AH: Egyptian Labor Paid Price in Gulf War; Dues Owed Egyptians in Iraq Before International Labor Organization"]

[Text] New developments and important and sensitive events have cropped up in the domestic and external arena and have put us face to face with numerous and difficult challenges, beginning with the Gulf crisis and with the return of nearly 400,000 Egyptian workers from Iraq and Kuwait, thus increasing unemployment by nearly 20 percent. On the other hand, there are developments in the direction of economic reform, especially since the accord with the IMF was concluded. These reforms include delivering the subsidy only to those who deserve it, with the subsequent rise in prices to match the international prices, plus the sales tax which has the same effect.

These developments and others have made it necessary to prepare to confront the current and future challenges with new plans. So what is the view of the General Federation of Egyptian Workers on the next phase? What are the steps taken to absorb a part of the repatriated labor and curtail the growth in the unemployment rate? How do we increase production in the public, government, and private sectors in the coming phase and keep pace with the means to develop the Egyptian economy?

Will salaries be increased by adding the social allowances to the basic salary to make it compatible with the rising prices? Moreover, what role does the federation play in international organizations regarding collection of the dues owed repatriated Egyptian workers, especially from Iraq? Also, what is being done regarding the deposits and savings of Egyptians in Kuwaiti banks? Why haven't the Egyptians' deposits in Libya been released yet? Finally, what is the rule that will bind the Egyptian labor export policy in the coming phase to ensure that the Egyptian worker's dignity is preserved?

AKHIR SA'AH has interviewed Ahmad al-'Amawi, chairman of the General Federation of Egyptian Workers, to answer these questions, as well as other urgent questions that require frank and clear answers. Al-'Amawi has said: There is no doubt that the recent period has been a sensitive period charged with numerous challenges, including the Gulf war, the postponed payment of the wages of Egyptian workers, the return of a vast number of Egyptian workers from Iraq, Kuwait, and the Gulf, plus the economic circumstances connected with economic reform and with the start of a new phase in which law are to be issued for the public sector and workers.

Ahmad al-'Amawi added: The general federation believes that Egyptian workers have paid a very exorbitant price in the Gulf war. They are the workers suffering the primary damage of this war. Regrettably, they are the party damaged primarily in every Arab economic-political crisis. In view of this extreme (situation), we have held the viewpoint that we should live fully with our workers' problems abroad and at home: Abroad by following up on how to collect the rights of these workers through international channels and by contacting the international organizations and international labor federations.

Internally, we should do it by holding dialogue with the government to lay down the foundations for a future economic action through which we can alleviate and avert numerous losses from people with a limited income. We are all aware that people with limited income are people whose income is fixed. Regardless of whether this income is at the minimum or maximum wage level, it is actually low and cannot meet the costs of living.

Open Dialogue With Government

Therefore, there is an open dialogue with the government. We take part in drafting new bills and we make our observations on these draft laws, exerting efforts to ensure that these observations are taken into consideration so that we can always participate in whatever pertains to the workers' daily life at home and abroad.

[Abd-al-Hamid] What are the steps taken and arrangements made to absorb a part of the returning labor so as to curtail the growth in the unemployment volume?

[Amawi] The returning labor is excess labor added to the excess labor and the unemployment already existing at home. But in our efforts, we make no distinctions between the two types of labor. This is why we discuss with the government how to absorb the largest number of the unemployed and of young men who have not had employment opportunities. Moreover, the Social Security Fund which was founded and which has actually begun its work can help in providing work opportunities through small projects and some production projects designated for young men and for repatriated workers who can be absorbed by the Egyptian market, but on condition that we create work horizons and opportunities in which we absorb these workers. We must also establish production workshops. The production of some returning craftsmen can be marketed and exported. We hope that this will be done in the coming phase.

[Abd-al-Hamid] You noted in the address you delivered on Labor Day that it is necessary to devote attention to crafts and small industries as a means to curtail unemployment. What form should this attention take?

[Amawi] Two forms: encourage existing industries—and this is better and faster—by encouraging these craftsmen and granting them easy credit with which they can expand and, consequently, absorb more of the labor in the market and increase production. They should also be assisted in marketing, sales, and exporting. Or we can, and this is the other form, set up new small industries that can supply the major industries that we already have, such as the car industry and some other industries that require complementary products, such as the electrical equipment industries and the manufactured goods industry. Whether it takes this or that form, this attention is tantamount to encouragement on this path.

Increased Production and Labor Laws

[Abd-al-Hamid] But how can we increase production in the public and government sector, and even in the private sector, in the coming period? In other words, we wish to talk about the role of labor, labor representatives, management, and the laws and regulations that govern labor as parties to this issue.

[Amawi] Increased production must not be a phrase devoid of meaning and content. What I mean is that we should not talk about increased production when there are no materials to work with, when no spareparts are available for machines, and when no facilities are available for sales and exporting. Some interpret increased production as just an increase in effort. This is not true. The workers give their effort. The worker is prepared to work 24 hours daily. But increased production actually requires a complete effort by the agencies that supply the raw materials to the public and private sectors because the private sector is also suffering from the same circumstances. It also requires eliminating the obstacles connected with spareparts and with supplying the machinery and equipment needed for renewal and replacement, especially in [production] lines experiencing bottlenecks. Moreover, the means of marketing and sale must be studied.

Increased production must come from a complete effort in every sense of the word. The laws slow this effort. Capable management surfaces when laws and regulations encourage work and prompt performance. We need an effective effort that unties the bottlenecks and supplies the work and production requirements. We must keep sight of all these things in the coming phase.

[Abd-al-Hamid] Sale of unprofitable public sector units constitutes a part of increased production and of the economic reform. What are the studies issued by the General Federation on the conditions of these firms?

[Amawi] We have not touched on the sale of the public sector and we have no studies on the sale. The issue is not in the picture at all. The government does not have studies on this issue, either. However, there are studies to develop the public sector, to transform the losing companies into successful companies, and to involve the private sector as a limited partner in the public sector while maintaining this sector and correcting its structures. This is the issue. There is also the question of selling a certain percentage of the stock of some companies.

[Abd-al-Hamid] You have recently stated that one of the means to liberate the economy is to speed up the promulgation of the new labor law. It has been said that this law can go into force as of July this year. But it is obvious that the law will take longer to be issued. Why?

[Amawi] The public sector labor law will be issued with the government [labor] law. This law has its controls and it liberates the public sector from the wage regulations, provides specific regulations, and ties these regulations

to economic rates, measurements, and criteria within a production unit. As for the government workers law, we are awaiting the material financing. Until this financing becomes available, the government will give the 15 percent increase to compensate the citizens for the lack of a law that corrects the wage structures. I believe that financing this law will take some time. But what is required now is to correct issues such as the top pay for each grade. What I mean is that the allowances should be included in the basic salary. In other words, the tax exemption for workers should be increased so that job issues and wages could be relatively stable until the law is issued to provide a fundamental solution to the wage procedures and lists.

Compensating People With Limited Income

[Abd-al-Hamid] The IMF has written an extremely-bitter prescription which will cause the prices of some goods to rise. What is the labor leaders' opinion of this prescription and what are the steps taken to stop these developments from affecting people with a limited income?

[Amawi] I have no prescription in front of me. What I have in front of me is an Egyptian economic reform measure carried out by the government. It is a very reasonable measure because we must rid ourselves of the burden that strains the budget. The same goes for the subsidy that constituted a drain on the economy. It also goes for the social prices that were imposed on the public sector. I believe that this is a difficult reform and that it will lead to higher prices. But we have no option but to proceed with the economic reform and experience some hardship, provided that we compensate people with limited income for this hardship. We have one of two options: Either let things collapse, and we as workers will, of course, pay the price of this collapse, or proceed with the economic reform whose fruits we will reap if the economic conditions are repaired.

People with limited income can be compensated materially for the higher prices, especially since their consumption is limited. For example, if a citizen with a limited income consumes energy within certain limits, then he should be charged for his consumption reasonably. Somebody else who exceeds these consumption limits must pay the difference as long as his consumption is higher. In addition to the material compensation for people with a limited income, curtailing price rises within brackets will be tantamount to alleviating their burden. But this will not compensate them 100 percent. There is no doubt that every Egyptian will get his share of the hardship for the sake of economic reform. But the share must be fair so that we can get through this economic crisis in good shape.

[Abd-al-Hamid] It is also obvious that the sales tax will lead to higher prices, thus adding to the burden of the working class. What is your opinion on this tax?

[Amawi] Like any other tax, the sales tax is another burden on the citizen and it will result in higher prices.

But as we have already said, the rise should be by a degree compatible with the citizens' capabilities. Second, this tax should be made clear to those who enforce it because it is still not understood by the people. Some people exploit and utilize this tax for greater profit. The government must clarify how this tax should be enforced, explain its executive bylaws, and point out who should shoulder it and whether it should be collected at the source or from the consumer. We hope that these matters will be clarified soon.

Need to Include Allowances

[Abd-al-Hamid] You have stressed the need to include the special allowances given to workers in recent years with the basic salary. What is being currently done in this regard?

[Amawi] We are following up on the inclusion issue. We hope that the government will engage us in negotiation and dialogue so that we can emerge with a result. There has to be financial stability in salaries and every individual should know what his wages and salary is and on what basis this salary is treated. In fact, we have repeated these demands in more than one speech from the General Federation on Labor Day. The government has made more than one promise and we are still following up on the issue. We hope that the government will fulfill its promises and will include the allowances, even if it does so gradually in order to alleviate the cost of this inclusion.

[Abd-al-Hamid] The sum of the dues owed Egyptians in Iraq is \$1.5 billion. What has been done in this regard to date, especially since this problem is still before the International Labor Organization [ILO]? What are the steps taken before the regional and international organizations to secure and regain the workers' rights?

[Amawi] In fact, the international organizations have their own rites and their drawn-out procedures. However, I stress that the fastest complaint examined by the ILO is the complaint submitted by the Federation of Egyptian Workers. But international committees take time to form and submit their reports. The truth is that the problem is not in this particular aspect but in how to collect the wages and dues. Most of the money owed our workers is in Iraq. As we are aware, there are no diplomatic relations and no contacts between Egypt and Iraq and there is an international economic blockade against Iraq. Iraq's funds are frozen. All this makes it extremely difficult to get the workers' dues under these circumstances. But what is necessary now is to consider how to collect these dues when the blockade is lifted and the funds unfrozen. It is also necessary to consider the channel and whether it should be through the United Nations or the international organizations and Arab federations. This is what needs efforts and examination in the coming phase, especially in view of the complexities existing at present.

[Abd-al-Hamid] But there are no Iraqi responses or proposals in this regard?

[Amawi] The Iraqi Government and the Iraqi Federation have not offered us any response to date. They did respond to us and to the ILO at one time but the responses were "indeterminate" and offered no relief. They said that they were prepared to send oil for the money or that the Egyptian Government could pay the dues and then charge them. Their response was tantamount to evading responsibility and evading payment. How could they pay in the form of oil when an economic blockade is in place or how could the Egyptian Government pay on their behalf when they are indebted to the Egyptian Government in the first place? Moreover, such a request is in violation of international charters and accords because workers' dues must be paid by the employer himself and by the employing government itself.

[Abd-al-Hamid] In a few days you will head for Geneva to attend the meetings of the [ILO] Executive Council as representative of Egypt's workers. What will be new in the discussions this time and what results are expected?

[Amawi] The ILO holds its Executive Council conference annually. This conference examines whatever is connected with labor problems in the world. There are committees specialized in discussing attacks on unionist liberties and failure to implement international agreements, such as agreements on wages and other aspects. It is tantamount to a conference that brings together three parties from all parts of the world, namely: Workers, businessmen, and governments. It includes nearly 150 countries. There is a very important political aspect to representing Egypt in these committees. We will raise some technical questions connected with collecting the [expatriate] workers' wages within the Executive Council conference directly. In my capacity as Executive Council member, I will attend this meeting and follow up on the complaint of the General Federation of Egyptian Workers with the ILO officials to look for means to collect the workers' dues. This is in addition to discussing international problems.

[Abd-al-Hamid] Will the conference also discuss the unnatural deaths of Egyptian workers in Iraq?

[Amawi] We have sent some reports and the outcome of medical reports that we received and they are before the committees now. In fact, we will leave the discussion on these reports alone and we will let them take their turn because we are focusing now on the material yield and the wages.

Release of Deposits in Kuwait

[Abd-al-Hamid] What is being done to get the deposits and savings of Egyptians in Kuwaiti banks released?

[Amawi] The Kuwaiti Government will start releasing the deposits at a maximum rate of 4,000 dinars monthly. Egyptian and Kuwaiti banks have agreed on this. An accord will be reached in the next few days between the Central Bank of Kuwait and the Egyptian banks to

facilitate these matters so that the savings of Egyptians could be paid in one way or another through Egyptian banks.

[Abd-al-Hamid] By the way, why have the dues owed Egyptians in Libya been delayed despite the numerous promises made by the Libyans?

[Amawi] They have, in fact, been very late coming. Through AKHIR SA'AH, I beg the brother Libyan officials to answer our letters on accelerating the payment of these dues because they have promised us repeatedly and told us that the payments are at the Central Bank of Libya, that they require some approvals, and that the issue is just an issue of time. We hope that this is the right time for them to send these sums of money, estimated at \$6 million, to the Egyptian workers in accordance with the agreement concluded between the General Federation of Egyptian Workers and the Federation of Libyan Producers and approved by the Libyan General Committee which is the equivalent of the Council of Ministers in Egypt.

[Abd-al-Hamid] What is the true nature of what has been recently reiterated about oppressive measures taken by Kuwait against Egyptians after the liberation and about 20,000 unemployed Egyptians in Kuwait?

[Amawi] The truth is that I don't have a full idea of this matter. We have not heard or been informed of such things, except through rumors. But we have not learned of such things from Egyptian diplomats, from the Egyptian ambassador in Kuwait, or even from the Egyptian Ministry of Foreign Affairs. If there is anything of the sort and if it is aimed at some Egyptians who collaborated with the Iraqi occupation, according to what is reported, then these are legal issues and they are governed by law and diplomatic representation. I believe that our ambassador in Kuwait is performing his duty fully in this regard.

New Egyptian Labor Policy

[Abd-al-Hamid] We have talked repeatedly about regulating the emigration of Egyptian labor to the outside world. To preserve the dignity of the expatriate Egyptian, what shape should this emigration take in the wake of the Gulf war and of the changes it has produced?

[Amawi] The emigration of Egyptian labor cannot be regulated by law alone. The individual involved must be basically vigilant. There is no law to fill all the gaps in such issues because they are basically a matter of personal dealings. When you bind workers to a law, a sort of coercion develops. This is in conflict with the constitution and is tantamount to intervention in liberties. I have no objection to the presence of labor laws. But we must arm individuals with national and pan-Arab vigilance so that they may watch for their personal interests. Before an individual rushes into something, he must consider the reactions [presumably meaning consequences]. We

have clear examples of exploitation in the work arrangements made by middlemen for contract workers. Middlemen alter the wages after the contract is concluded and guarantors exploit these workers. Therefore, these workers must enlist the help of their agencies, such as the Ministry of Manpower, the Ministry of Foreign Affairs, or the General Federation, before they sign their contract. No matter how many laws we issue, numerous problems are going to develop in the future, especially since we are in a field which involves government employment and private sector employment. A government may honor its obligations because of its standing among other governments. But the public sector of these countries is not committed, and this is why problems exist.

[Abd-al-Hamid] What is the new rule that will bind the Egyptian labor export policy?

[Amawi] Law No. 10 was issued recently. It requires the creation of joint-stock companies to conclude contracts with the workers. These companies should have decent insurance, procedures, and bookkeeping. We hope that this step will amount to an element that relatively controls expatriate labor and workers.

[Abd-al-Hamid] Are there bilateral agreements between the Egyptian Government and the Arab Governments that receive Egyptian labor?

[Amawi] There are, of course, agreements between the governments. But I cannot rely on them because most of the countries employing Egyptian labor have no labor unions with which we could deal. We are aware of the issue. The only federation in existence in all the Gulf states is the Federation of Kuwaiti Workers. As for the issue of unionist representation, there are positions on which I do not wish to dwell.

Sidqi Adjusts Employment to Absorb Graduates

91AA0514A Cairo AL-WAFD in Arabic 4 Jul 91 p 1

[Article by Muhammad 'Abd-al-Halim]

[Text] Prime Minister Dr. 'Atif Sidqi issued instructions to the Ministry of Manpower and the Central Department for Organization and Administration to employ graduates on a staggered basis and to abolish the system of comprehensive employment of graduates, the system that has been in effect for many years.

The government's commitment to comply with the World Bank's request is the reason for these instructions. The instructions apply to the 1984 high qualifications graduates, and 1983 middle qualifications graduates. Employment is to be under the category of actual needs. Sources at the Ministry of Manpower have confirmed the appointment of the first batch of graduates for more than three years. The Minister of Manpower is expected to tour the Gulf countries and Libya in order to seek to open new employment markets for Egyptians.

Report on Effort To Overcome Unemployment

91AA0508A Cairo AL-AHRAM AL-DUWALI in Arabic
7 Jul 91 p 3

[Article by Sayyid 'Ali: "Secret of the Fund"]

[Text] The fund is the Social Fund for Development. The secret is the national plan to revitalize the craft and community industries sector. A neglected resource, this broad sector was like a foundling, until Dr. Mahmud Sharif was appointed minister of local administration. He became foster father to the sector, which needs organization if it is to become Egypt's hope for creating jobs for youth and eliminating unemployment and the long line at the Ministry of Manpower. As soon as he was appointed, Dr. Sharif issued a ministerial order forming a committee of experts and people with experience, along with craftsmen and the Union of Production Cooperatives, to draft a plan to promote craft industries, encourage craftsmen to expand, modernize equipment and machines, and work to define their training needs with the goal of creating jobs for young people. Within the next few days, the plan for the project will be ready to be submitted and discussed. When approved, it will be presented to the Social Fund, so that loans can be made to craftsman and workshop owners who are members of Production Cooperatives in skilled trades. This will help overcome the shortage of cash to buy raw materials or production requisites or to develop and modernize machinery. To guarantee that the loans are recovered on schedule, regulations and standards will be set by the Central Union of Production Cooperatives, which is at the apex of the cooperative structure.

A craftsman said angrily, "Surrounded by problems on all sides, we silently produce and export, while these agencies give all the help to the so-called productive families." He added, "Do you know that many of these families buy the products of craftsmen and display them as their own work? These families," he stated, "don't own a factory or even a small workshop, but all the help is given to them. We craftsmen were surprised when the Social Fund gave them 30 million pounds, while craftsmen need only 10 million pounds as the nucleus for a craftsmen's bank. It by itself would probably eliminate most of the problems that confront craft and community industries.

Craftsmen's Products in the Gulf

At the headquarters of the Union of Production Cooperatives there was ceaseless movement. A small display showed craftsmen's products to a delegation from the Kuwaiti Union of Consumers' Cooperative Societies. The delegation snapped up everything offered. The prices amazed them, given the raw materials and the quality of the workmanship. Most of the craftsmen agreed that they were less interested in profit than in opening outlets to market their work. There was a fear that the Kuwaitis would try to make too much profit, which would harm Egyptian products. The Egyptians therefore stipulated that the profit margin should not

exceed 25 percent, particularly on leather goods, carpets, spreads, and furniture. The Egyptian union signed an agreement with the emirates to sell the products of craftsmen and cooperative societies there.

Bureaucratic Snags

Sayyid Zaki, head of the General Union of Cooperatives, is a convinced believer in the value of craftsmen and craft industries. He said, "The national plan to develop craft industries is the best investment of manpower and will convert numerical strength into productive strength. Egypt's future lies in a logic of exporting end products, instead of exporting raw materials and technical workers, for which the domestic market has a great need. This is not to deny that excess workers can be exported. All that is required is to provide a good climate for craftsmen, fill in the holes, and remove the snags that bureaucratic practices put in the path of craftsmen as a sector."

Sayyid Zaki added: "The idea of establishing the craftsmen's bank was about to be implemented, but some minor officials and malicious people harassed the project until it was aborted. They wanted craftsmen to remain slaves to the bureaucratic routine of investment banks that ask craftsmen for documents and papers that the latter do not understand, but that bring the banks a large return that they are eager to gain. It is as if the craftsman were working for the bank!"

The Ministry of Local Administration therefore drafted a general plan to fund the craftsmen's production cooperative sector from the Social Fund for Development. The goal is to create new jobs for young people at reasonable cost by improving and modernizing machinery in craftsmen's shops and supplying raw materials and production requisites to employ idle manpower. The plan stipulated that the largest possible number of craftsmen should benefit. The ministry proposed founding new craftsmen's production cooperatives for marketable crafts not yet incorporated into the production cooperative sector, but which could absorb large numbers of workers, such as plastics, aluminum, electrical appliances, electronics, and feeder industries for certain major industries. The ministry set certain conditions and standards for craftsmen to obtain loans from the Social Fund. For example, the applicant must own a shop and be a member of a craftsmen's production cooperative. He must submit a study of his need for funding and its amount. The shop must satisfy licensing requirements in accordance with provisions of the regulatory laws. The applicant must have paid any taxes or social insurance payments that he owes.

System of Loans for Craftsmen

The fund will grant short- and medium-term loans to finance raw materials and production requisites. For short-term loans with a term exceeding one year, the first installment will fall due three months after the disbursement date. Security will be by submitting checks in the

value of the loans. There is a suggestion that an insurance document be drafted with an insurance company against breach of trust. Medium-term loans will be to purchase new machines and equipment or to replace and renovate machines and equipment. They will range from three to four years, with a maximum grace period of one year, after which the first installment will fall due. Ninety percent of the machine's price will be disbursed, with the applicant carrying 10 percent of the price to guarantee his seriousness. Surety for these loans will be provided by following a system of rental purchase whereby title to the machine will be transferred to the shop owner only after payment of the final installment. Machines purchased through the loans will be considered to be held in trust until the loan is paid in full. If payments become overdue, legal measures will be taken by issuing an administrative writ of attachment against the establishment. The proposed interest rate will be between 7 and 10 percent, so as not to exceed the going rate of the Industrial Development Bank.

Furthermore, the members of the committee formed by the Ministry of Local Administration have made a serious assessment of all the kinds of neglect that craftsmen face. Ahmad Ra'fat 'Abd-al-Fattah, head of the Craft Industries Organization, thinks that a general study must be made for the project, focusing on the nature and quantity of goods and services whose production the project could encourage. One could rely primarily on lists of goods that have been imported in the last two years and focus on goods for which there is an unsatisfied export demand as well as an unsatisfied domestic demand. Four aspects should be considered: quantity, specifications, prices, and seasonal demand. Since the national plan will most likely include many projects, the time period for its implementation should be divided into phases. In dividing the phases, attention should be given to geographical distribution among the governorates, so that all or most of the governorates participate in the first phase's projects. The second and succeeding phases will involve broadening the kinds of projects, not merely geographical expansion.

As for organizational and procedural aspects, it is proposed that the committee formed by the minister of local administration serve as a continuing organizing body for the national project.

Marketing Offices

Muhammad Hashim Rahmi, a marketing specialist at the Production Cooperative Union, thinks a plan must be made for new projects that should be introduced into industry to complete production lines—in other words, complementary industries imported from abroad and not manufactured in the domestic market. The important thing is to make a field study of products that are marketed either in the domestic market—products that are in high demand and scarce—or in the foreign export market, and to produce export goods needed by the foreign market, especially the Arab and African market, and that are suited to craftsmen's resources. Offices

specialized in domestic and foreign marketing must therefore be established in each sector or public society.

Ten Problems of Craftsmen

In an important working paper, Ahmad Shalabi, the first deputy chairman of the Union of Production Cooperatives, indicates that the project needs a change in method of operation in order to overcome the many obstacles that impede progress in this sector, especially certain laws and ministerial decisions. These must be changed or replaced to accord with the project's national nature. There must be a new definition of craftsmen and expanded designation of villages for craft production. New models must be created by going out into the governorates.

The following ten items summarize the problems of craftsmen: marketing, funding, development, training, shortage of production requisites, operation in unhealthy locations, social insurance, arbitrary taxes, sales tax problems, and lack of managerial experience adequate to the demands of the bureaucracy, particularly the tax bureau. Finally, some of these industries are subject to interruption because of the preceding problems. These problems affect handicraft industries as well as service professions.

Single Responsible Agency

Ahmad Shalabi suggests several solutions to craftsmen's problems. A decree should be issued placing provincial training centers under the authority of the Craft Industries and Production Cooperatives Agency. The agency would thus become fully responsible for all training centers throughout the country. Modern, well equipped centers to market craftsmen's production should be established, with prices affordable to the public. He also suggests the independence of project's centers under the supervision of a central administration whose members have power to act and freedom from bureaucratic routine and whose main responsibility would be to implement the national plan. Concerning the problem of surety, he suggests that the craftsman's machine should become the security for the loan. Title to the machine would return to the craftsmen only after repayment of the loan and its interest as set in the contract. Machines, at least those sold to craft and service cooperatives, should be exempted from import duties. The Social Fund could contribute 10 percent of the cost of machines, depending on a project's success, provided that the project is owned by young people and has achieved its goals within the first two years. Young people's cooperative societies must be established, irrespective of craft definition, and should be located in places with concentrations of craftsmen in the new cities and elsewhere.

The insurance problem causes many difficulties for craftsmen, breeding unemployment, and restricting training operations in shops. The Social Insurance Ministry monitors apprentices and trainees in shops, so that

shop owners refuse to employ or train young people because of their legal obligations and make do with employing apprentices under the age of eighteen. As a solution to this problem the Union of Production Cooperatives proposes that the Social Fund contribute the cost of the worker's and employer's social insurance for a year. The period would include the employer if he decides that the youth will remain in the job. The daily, weekly, or monthly wage would depend on agreement between the young person and the employer without government involvement, but in accordance with the minimum wage. While a government job costs several thousand pounds, the Social Fund's contribution to creating a job for a young person will cost no more than 500 pounds a year. The procedure could be set up in conjunction with the Ministry of Labor and Social Insurance and the Central Union of Craftsmen.

To avoid any irregularity or individual trickery, the success of the national plan to develop craft and community industries depends on channeling Social Fund financing or lending to cooperatives through the central Union of Craftsmen's Production Cooperatives. Ministerial decrees are needed to place provincial production cooperative administrations under the Craft Industries Agency. The administrations of production cooperatives are under the authority of local governments, which makes it difficult for the agency to control and supervise the cooperatives located within the governorate or region or for there to be any administrative, financial, or technical link. This is incompatible with the plan for the national project.

We can still learn from the experience of countries like Korea, Thailand, and Singapore. The resurgence of these countries began by channeling craftsmen's productive capacities and by making use of everyone in industries that feed large industries. These countries were able to make a great leap in a short time.

The Ministry of Local Administration, under the leadership of its energetic minister who understands the role of craftsmen, Dr. Mahmud Sharif, and the Union of Production Cooperatives, under the leadership of the venerable Sayyid Zaki, have designated the project as national. Given seriousness and commitment, that is what it can truly be. But the touchstone of the fund's serious and success will be whether it gives young people an opportunity for it to teach them how they can make a living, instead of waiting for a job in government bureaus.

Minister Comments on New Law; Soviet Funding Noted

91AA0535A London AL-SHARQ AL-AWSAT in Arabic
17 Jul 91 p 10

[Article: "New Business Law Regulates Structure of Companies Operating in Egypt"]

[Text] Cairo—AL-SHARQ AL-AWSAT Bureau—Egyptian Industry Minister Engineer Muhammad 'Abd-al-Wahhab has stated that the business sector law will

define the structure of companies operating in Egypt and that the current laws and regulations pertaining to companies will continue to be in force until the new law is issued.

At a press conference, the minister added that every public sector authority will be transformed into a holding company and that the minister concerned will determine the policies for these companies in light of the broad policies charted by the Council of Ministers. He added that agreement will be concluded between banks and the holding companies on credit ceilings, provided that this is accomplished within the framework of the economic reform plan.

Engineer 'Abd-al-Wahhab noted that there is industrial cooperation between Egypt and the Arab countries and stressed the need for industrial integration between the Arab countries so that each country would not produce the same commodities produced by another country. He also noted that his visit to Syria comes within the context of the Joint Egyptian-Syrian Committee's meetings. He stressed that numerous studies on establishing joint food and textile industries and industries in other areas are underway. It is expected that implementation of these projects will begin as soon as possible.

In a related development, Egypt signed on Monday, two days ago, the comprehensive contract for the Abu-Tartur phosphate project which is implemented by the Egyptian Ministry of Industry and the Soviet side. This is considered the biggest Egyptian industrial project. Studies for the project began in 1967.

Upon conclusion of the contract, Egyptian Industry Minister Engineer Muhammad 'Abd-al-Wahhab stated that the project's total investments will amount to 673 million Egyptian pounds, plus 60 million pounds spent previously on the project during the study phases. He noted that the external infrastructure investments amount to 476 million pounds, of which 32 millions have been spent to build the Safajah-Qina railroad and the electric powerline needed for the project. The Egyptian minister also noted that the cost of equipment supplied by the Soviet side will be repaid by bartering Egyptian goods for the equipment. He pointed out that the project will begin production in 1993 at an annual capacity of 4.5 million tons. After treatment, the raw phosphate mined will ultimately produce 2.2 million tons annually.

New Natural Gas Project, Factories Underway

91AA0535C London AL-SHARQ AL-AWSAT in Arabic
11 Jul 91 p 12

[Article: "International Loans of \$95 Million for Natural Gas Project"]

[Text] Cairo—AL-SHARQ AL-AWSAT—Egypt's Ministry of Petroleum has been able to secure \$95 million from the World Bank, the European Bank, and the

Islamic Development Bank to accelerate the pace of implementation of the plans to supply natural gas to 350,000 housing units in the areas of Cairo and al-Jizah in the next five years, i.e., at the rate of 70,000 units annually. This has been stated by Dr Hamdi al-Bumbi, the minister of petroleum and mineral sources, who added that this sum has been allocated for importing equipment and material for the project to supply natural gas to the Greater Cairo area. The project will also supply annually 170,000 tons of butane gas which can be exported to the outside world.

In a related development, Dr. Hamdi al-Bumbi, the minister of petroleum and mineral resources, has decided to set up this year three factories to fill butane gas into cylinders in the governorates of al-Minya, Kafr al-Shaykh, and al-Sharqiyah, [each] with a capacity of 4,000 cylinders daily. The cost of the equipment and tanks needed for these factories amounts to 15 million pounds. The three governorates are to shoulder the cost of the land, carry out the civilian works, and supply the new factories with utilities. This has been stated by Engineer Ahmad Khalaf, chairman of the Petroleum Gases Company.

Subsidy Lifted, Fertilizer Prices Rise 300 Percent

91P40386A Cairo AL-WAFD in Arabic 17 Jul 91 p 6

[Text] Deciding to do away with the fertilizer subsidy and open prices up to supply and demand without interference from the Ministries of Industry or Agriculture or the policies committee during the step-by-step plan ending late next year, i.e., after 18 months, has brought about a 300-percent increase in fertilizer prices. During this time, fertilizer prices will reach worldwide levels. Last week, the Agricultural Credit Bank was permitted to distribute free fertilizer rations exempted from mandatory pricing, and over the last few days fertilizer prices rose by 20 percent.

Shortage of Parts Sidelines 600 City Buses

91AA0510B Cairo AL-WAFD in Arabic 25 Jun 91 p 3

[Excerpt] The Public Transportation Authority buses in Cairo are facing a critical situation because of the lack of the necessary parts to operate them. Thousands of buses are sidelined in the Authority's garages waiting for simple spare parts which, if they become available, would allow the buses to resume running satisfactorily. The Authority has found some of the garages crowded with broken down buses, such as in Famm al-Khalij, Imbabah, and other garages. The Authority carried out repairs and updating to more than 16 garages in Cairo, beginning with al-Siwah garage which provides excellent services to the buses of al-Tawali lines network. The Authority recently bought two plots of land in order to build new garages on them. The Authority chairman has admitted that there is a parts shortage, which he attributed to several reasons. He also admitted that there are 600 serviceable buses which are short of spare parts.

The problem of parts shortage has put into question the Authority's ability to provide transportation to the greater Cairo metropolitan area and to overcome the difficulties in order to provide a suitable fleet of buses to carry millions of passengers. Studies are now underway to merge the institutions responsible for transportation in Cairo in one single authority in order to abolish duplication of lines, prevent traffic jams, and utilize a standard fare ticket usable on all transportation means.

In al-Siwah garage, the Authorities' most up to date garage, which was built with the latest methods, engineer Muhammad Mahrus, the garage director, spoke about the problem of auto parts shortage. He said that certain Egyptian companies have manufactured some high quality parts but these are not sufficient. He said that there is a shortage in imported spare parts, but that it is not causing great difficulties. He said that al-Siwah garage obtains parts from three sources: the authorities' headquarters, the garage depot, and local purchasing through permanent leasing. Recently the Authority authorized some of the garages to purchase the required spare parts on an urgent basis in order to ensure that all the buses will be running. The garage, he added, has 134 operating buses, of which 113 are running and the rest are undergoing maintenance in order to be operational the following day. [passage omitted]

New Housing Distribution Law Issued

91AA0535A London AL-SHARQ AL-AWSAT in Arabic 15 Jul 91 p 11

[Article by Ahmad Gharib: "New Housing Construction Policy in Egypt"]

[Text] Cairo—AL-SHARQ AL-AWSAT—The Egyptian Ministry of Housing and Construction has decided to outline a new housing policy that begins this year and that is founded on distributing housing according to the needs of each governorate. This will be done on the basis of housing waiting lists in order to eliminate this phenomenon.

An official ministry source has stated that the emphasis will be put on waiting lists comprised of newlyweds and of people evacuated by administrative decree because of the collapse of their homes. The ministry has sent messages to the governorates instructing them to determine the number of waiting cases in each governorate so as to determine the number of housing units to be built in the governorate during the new plan. A total of 120,000 economy-housing apartments are scheduled to be built in the new year, even though the construction of these apartments depends on the availability of lands fit for development and supplied with utilities. The source also said that 372,000 low-cost apartments whose construction began three years ago are being completed currently. He added that loans set aside for housing this

year amount to 875 million pounds, compared to 1.1 billion pounds last year; i.e., with a drop of 225 million pounds. This is due to the fact that loan interest rates have been increased this year to more than 12 percent annually, compared to 4 percent previously. Moreover, numerous governorates have reached the point of saturation in housing and do not need to have many housing units built in them.

Rights of Property Owners Increased

91AA0504A Beirut AL-SHIRA' in Arabic 1 Jul 91 p 39

[Report from Cairo: "New Landlord-Tenants Law"]

[Excerpts] The need to review the relationship between tenants and landlords of both farms and apartment buildings is being debated with increasing intensity amid the furious transformation presently sweeping social and economic trends and policies in Egypt. Proponents of change are gaining in strength along with the officially sanctioned trend towards a market-driven economy—a trend which has accelerated now that the Egyptian government has acquiesced to all IMF demands and conditions.

It is safe to say that a new landlord-tenants bill has been approved by the State Council and is about to be submitted to the People's Assembly for approval during the current parliamentary session.

A legislation governing the relationship between landlords and lessees of farmland was drawn up in 1987 but was strongly opposed and is yet to see the light. That bill also will probably be revised then submitted to the People's Assembly before long. [passage omitted]

The issue is that landlords feel that they are openly discriminated against by the old law which allows heir to assume leases at the same rents established when the revolution first began. They also feel that lessees have become the real owners of farmland and that they are advantaged by higher crop prices while their rents remain constant. Furthermore, they argue, the population is ever multiplying while the size of farmland remains constant, boosting the value of a feddan of farmland to as high as 50,000 pounds or even double that for land on the rural housing strip; more for urban lots. In Cairo, for instance, one meter in an upper-scale suburb commands as high as 5,000 pounds.

The New Bill

What are the ideas and recommendations advanced for the proposed law?

Most deputies who responded to the government's latest statement to the People's Assembly, focussed in their replies on the need to address flaws in the landlord-tenants law. Two points of view dominated the debate. Members of the National Democratic Party advocated immediate reformation in order that landlords may be recompensed fully. The National Progressive Unionist

Grouping Party [NDUG], supported by the Nasserists, advocated that the new law should also protect the rights of small landlords and of tenants in a manner that would not disturb society's social balance. The Wafd Party shares the viewpoint of the National Democratic Party and wants even more, especially for big landlords.

The bill drafted by the National Democratic Party four years ago increases rents from seven times the tax levy on the land to 15 times the tax. It limits the term of the lease to three years renewable at landlord's option, and mandates a cultivable relationship [?] to be renewed annually. It also entitles landlords to summarily retake possession of the land provided lessees are compensated by an amount equal to 10 years-rent. When a lessee dies, his farmer may inherit only one-fifth of the land and the remainder reverts back to the landlord.

Engineer Faruq 'Afifi, head of the National Democratic Party's Agriculture Committee, emphasizes that because of new developments that occurred since the it was drafted in 1987, the bill will be revised to reinforce "the land belongs to whoever tills it" concept, especially that landlords do not no benefit from higher crop prices and that mandatory quotas of crop sales to the government have been abolished. Supply and demand now drive all crops except wheat and cotton.

Other expected revisions include taxing a portion of rent increases and removing the link between tax assessments and rents which are evaluated every 10 years. Rents, for instance, would be determined every five years until they finally become strictly a function of supply and demand. Other proposals call for invalidating the leases of those who control more than five feddans and for speedier adjudication of land disputes since landlords feel that the sale of their land is a waste of their agricultural wealth. Still another proposal, strongly opposed by some clergy, gives lessees 50 percent of receipts should landlords desire to sell.

The alternative viewpoint, advanced by all factions of the Egyptian left, holds that all landlord-tenant issues are two-dimensional. An explanation by opposition-leader Khalid Muhyi-al-Din, secretary-general of the NPUG, emphasized that the economic dimension mandates rent increases in view of rising crop prices, but the increases should be instituted periodically on the basis of net profits from traditional crops. Vegetable and fruit farms, however, would be left to the forces of supply and demand.

The social dimension is of concern to the NPUG. It is opposed to the displacement of land tenants and the invalidation of their leases on the pretext that they are not diligent farmers. The reverse is usually true since many landlords neglect to work their land. There is need, furthermore, to protect small landlords who are forced to sell the land they are unable to cultivate because of high production costs.

The NPUG is expected to propose the establishment of a special fund to finance farm sales. The fund, to be

underwritten by crop profits, would make it possible for purchasers to pay in installments and for landlords to cash in their lands at market prices. That way, the precept of "the land belongs to whoever tills it" would become a reality and not just a slogan.

That is how the debate is shaping up. The climate seems extremely favorable for that bill to pass in order to serve the interests of big landlords as part of the drive to purge everything that benefits a majority of the people such as subsidies, free education, a segment of public sector companies, and now the land that the revolution has dispensed to the poor in order to bring an end to feudalism.

Constitutional Court Judge, Others Appointed

91AA0514D Cairo AL-WAFD in Arabic 2 Jul 91 p 6

[Excerpt] [passage omitted]

Counselloer Faruq Sayf-al-Nasr said that President Husni Mubarak issued three republican decisions appointing three heads of judiciary authorities, posts that became vacant following the retirement of the incumbents who reached retirement age. He said the first decision appoints Dr. 'Awad Muhammad 'Awad al-Murr president of the Higher Constitutional Court, succeeding counselor Mamduh Mustafa Hasan.

The second republican decree, he added, appoints counselor Ibrahim Husayn Radwan president of the Court of Cassation, succeeding counselor Muhammad Ahmad Hamdi. The third republican decision, he said, appoints counselor Raja' Isma'il al-'Arabi Attorney General, succeeding counselor Muhammad Badr al-Minyawi.

Autobiographical notes:

Counselor Dr. 'Awad Muhammad 'Awad al-Murr, president of the Higher Constitutional Court, was born in October 1933. He obtained a degree in law in 1954 and a doctorate in law from 'Ayn Shams University in 1977. He worked with the State Judicial Affairs Authority, and the body of State Commissioners at the Higher Court. In March 1983 he was appointed president of the Higher Court of Justice and later member of the Higher Constitutional Court.

Counselor Ibrahim Husayn Radwan, president of the Court of Cassation, succeeding counselor Muhammad Hamdi, was born in March 1932. He is a 1951 law graduate. He gradually progressed in public prosecution and judiciary posts, reaching the post of counselor in the Court of Cassation and later appointed vice-president of the Court of Cassation.

Counselor Raja' Isma'il al-'Arabi, Attorney General, succeeding counselor Muhammad Badr al-Minyawi, was born in July 1935. He obtained a law degree in 1956-57 and in November 1957 was appointed an assistant at the Public Prosecutor's office. He gradually advanced in public prosecution jobs; in August 1979 he was

appointed public attorney, in August 1985 first public attorney, and in August 1988 he was appointed deputy public prosecutor.

New Local Administration Law Expected in 3 Months

91P40371A Cairo AL-JUMHURIYAH in Arabic 17 Jul 91 p 1

[Report by Muhammad Fathallah]

[Text] Minister of Local Administration Dr. Mahmud Sharif anticipates that the new local administration law will be issued in three months. He said that the first phase for discussion of the law is taking place via regional governors' conferences, and the second phase is via local councils.

University's Khartoum Branch May Delay Exams

91AA0535A London AL-SHARQ AL-AWSAT in Arabic 16 Jul 91 p 4

[Article: "Egypt Studies Conditions of Instructors and Students at Cairo University's Khartoum Branch; Underlines Its Wish to Overcome Transient Crisis"]

[Text] AL-SHARQ AL-AWSAT has learned that Egypt is currently studying the conditions of Egyptian instructors and students enrolled in Cairo University's Khartoum Branch in wake of the incidents to which Egyptians have been subjected there. The fate of Egyptian students who will sit for their university examinations there will be determined two weeks from now in light of the study.

Informed sources have said that preparations are being made to enable these students to sit for their examinations in Cairo if the unstable conditions in Khartoum persist.

These informed sources have stressed that the idea of abolishing or closing the university branch in the Sudanese capital is not being considered at all.

The sources have based their assertion on Egypt's full eagerness for the relations with Sudan and its eagerness to overcome the transient crisis that has clouded the relations between the two countries.

AL-SHARQ AL-AWSAT has learned that Egypt has obtained new Sudanese assurances of care for and good treatment of the Egyptians in Sudan, as well as assurances of eagerness to overcome these transient incidents.

Informed sources have noted that Sudan conveyed these assurances through Libya's Colonel Mu'ammar al-Qadhafi who has undertaken mediation between the two countries since the violations against Egyptians in Khartoum took place. The sources have pointed out that instructions have been issued to Sudan Airways not to put any obstacles in the path of Egyptians traveling to Sudan.

There have been renewed expectations of the possibility of an imminent Egyptian-Sudanese meeting. But the sources have mentioned no set date for this meeting. They have, however, pointed out the continued consultations between the two countries through diplomatic channels.

In another respect, trade activity between the two countries, especially the trading of conventional commodities across the joint Egyptian-Sudanese borders, has not stopped recently.

AL-SHARQ AL-AWSAT has learned that the Ministry of Education has decided to delay the truancy examinations that were scheduled to be held at Cairo University's Khartoum Branch at the beginning of this month

until another decision is made on this issue. The Ministry of Education is now coordinating with Egyptian government officials to find a solution to this problem.

It is expected that this issue will be raised at the forthcoming meetings of the Egyptian Council of Ministers to develop a solution to this problem. Officials of the Egyptian Ministry of Education and of Cairo University are determined not to make any statements in this regard so that the problem would not worsen.

The Egyptian minister of education has stressed that he has made no decision, that the ministry is eager to improve the conditions with Sudan and to bolster the various aspects of educational activity with all the sisterly Arab countries, and that what has been raised regarding the university branch is far from true.

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